

U. S. Circuit Court. Northern District of  
Illinois. Northern Division.

American Graphophone Co. )

versus )

Talking Machine Co., Polyphone ) In Equity  
Co., Leon F. Douglass, Silas F. ) No. 25186  
Leachman and Henry C. Babson ) Patent No.  
341,214

APPEAL RECORD AND APPEAL BRIEFS

( Circ. Ct. of Appeals, 7th Circ. No. 618 )

Team "original" recording 7/31/92  
Douglas.

Team "master" Record  
used in suit 1899.



U. S. CIRCUIT COURT. NORTHERN DISTRICT OF  
ILLINOIS. NORTHERN DIVISION.

American Graphophone Co.,	)	
Complainant	)	
versus	)	In Equity,
Talking Machine Co., Polyphone	)	No. 25186
Co., Leon F. Douglass, Silas F.	)	
Leachman and Henry B. Babson,	)	
Defendants	)	

U. S. CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

October Term, 1899.

No. 618

American Graphophone Company	)	
Complainant-Appellant	)	
versus	)	
Talking Machine Co., Polyphone	)	
Co., Leon F. Douglass, Silas F.	)	
Leachman and Henry B. Babson	)	
Defendants-Appellees	)	

TRANSCRIPT OF RECORD

IN 140

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, A. D. 1898.

No. 618.

AMERICAN GRAPHOPHONE COMPANY,

*Appellant,*

TALKING MACHINE COMPANY, POLYPHONE COMPANY,  
LEON F. DOUGLASS, SILAS F. LEACHMAN AND  
HENRY B. BABSON,

*Appellees.*

MR. C. CLARENCE POOLE,  
MR. TAYLOR E. BROWN,  
MR. PHILIP MAURO,

*Counsel for Appellant.*

MR. JOHN W. MUNDAY,  
MR. ED. S. EVARTS,  
MR. EDMUND ADCOCK,

*Counsel for Appellees.*

Appeal from the Circuit Court of the United States for the Northern District of  
Illinois, Northern Division.

TRANSCRIPT OF RECORD FILED JULY 15, 1899.

BY THE CLERK.



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# PLACITA.

1      Pleas in the Circuit Court of the United States for the Northern Division of the Northern District of Illinois, begun and held in the United States Court Room, in the City of Chicago, in said District before the Honorable Christian C. Kohnsaat, Judge of the United States District Court, for the Northern District of Illinois, on Saturday, the third day of June in the year of our Lord, 1899, being one of the days of the May adjourned term of said Court, 1899, and of our Independence the 123rd year.

S. W. BURNAM,  
 Clerk.



*Bill of Complaint.*

Be it remembered that on this day, to wit, the 21th day of May, 1899, there was filed in the office of the Clerk of said Court, the Bill of Complaint of The American Graphophone Company, a Corporation, etc.; Motion for Injunction of Complainant; and the Affidavits of Dezera E. Cartier, George W. Lyle, Anthony S. True, Archie Gibson, Edward D. Easton, Charles A. L. Massie, and Frank Paul Moore, which are in the words and figures following, to-wit:

Bill of Complaint,  
filed May 24, 1899.

## BILL OF COMPLAINT.

To the Honorable the Judges of the Circuit Court of the United States for the Northern Division of the Northern District of Illinois:

The American Graphophone Company, a corporation organized and existing under the laws of the State of West Virginia, and having its principal office at Washington City, in the District of Columbia, brings this, its bill of complaint, against The Talking Machine Company and the Polyphone Company, each a corporation organized and existing under the laws of the State of Illinois, and having, each, its principal place of business in Chicago, Cook County, State of Illinois; Leon F. Douglass, a resident of Chicago, Cook County, Illinois, individually and as Vice-President of said Polyphone Company, and Henry B. Babson, a resident of Chicago, Cook County, Illinois, individually and as President of said Talking Machine Company, all of whom are citizens of the State of Illinois and inhabitants of the Northern District of Illinois.

And thereupon your orator complains and says:

1. That Chichester A. Bell and Sumner Tainter, then of Washington aforesaid, were the original, first and joint inventors of certain new and useful improvements in recording and reproducing speech and other sounds, which improvements were not known or used by others in this country before their invention thereof, and were not patented or described in any printed publication in this or any foreign country before their invention

thereof, and were not in public use or on sale in the United States for more than two years prior to their application for a patent therefor, and which had not been abandoned.

2. That thereafter the said Chichester A. Bell and Sumner Tainter made application in due form of law to the Commissioner of Patents for the grant of letters patent of the United States for

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*Bill of Complaint.*

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the said invention, and then and there fully complied in all respects with the provisions and requirements of the laws of the United States in such case made and provided; that thereupon, due proceedings being had upon said application, Letters Patent of the United States, in due form of law were issued and delivered to the said Chichester A. Bell and Sumner Tainter in the name of the United States of America, under the seal of the Patent Office, and signed and countersigned respectively by the proper officers of the United States, numbered 341,214, and dated May 4, 1886; and that the said Letters Patent did grant to the said Chichester A. Bell and Sumner Tainter, their heirs and assigns, for a term of seventeen years from the said 4th day of May, 1886, the exclusive right to make, use, and vend the said invention throughout the United States and the Territories thereof, as by reference to the said Letters Patent or a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

Bill of Complaint,  
filed May 24, 1899

3. And your orator further shows that on the 29th day of March, 1887, said Chichester A. Bell and Sumner Tainter, by an instrument in writing duly signed and delivered, and recorded in the United States Patent Office the 22nd day of September, 1887, did give, grant and convey to the Volta Graphophone Com-

4 pany, a corporation organized and existing under the laws of the State of Virginia, its successors and assigns, the entire right, title and interest in and to said Letters Patent No. 341,214, granted to them as aforesaid, and in and to the invention secured thereby, as by reference to said instrument or a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

4. That on the 24th day of January, 1893, the said Volta Graphophone Company, by an instrument in writing, duly signed, sealed, and delivered, and recorded in the United States Patent Office the 25th day of January, 1893, did give, grant, assign, and convey to your orator, its successors and assigns, the entire right, title, and interest in and to said Letters Patent No. 341,214, and in and to the invention secured thereby, as by reference to said instrument or a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

5. That your orator has been ever since the date of the assignment last mentioned, and was at the time of the commission of the acts hereinafter complained of, and is now, the sole and exclusive owner of the said Letters Patent and of all claims for infringement thereof; and has been and is, save for the doings of these defendants and others acting in concert with them in the exclusive possession of said rights and privileges; and is entitled to



Bill of Complaint.  
Filed May 26, 1899.

*Bill of Complaint.*

the exclusive use, benefits, and advantages of the said inventions and improvements, and to sue for and recover to its own use and in its own name all claims for the infringements or violation thereof.

6. And your orator further shows that it has expended large sums of money in practicing said invention and introducing the same into public use, and the same is of great commercial value and practical utility; that a great public interest has been manifested therein, and a large demand created for apparatus constructed in accordance with or embodying the same, which demand your orator is ready and able to supply; that the public generally in all parts of the United States have recognized and acquiesced in the facts that the said Bell and Tainter were the original, first, and joint inventors of the said invention, and that the patent above named (particularly with respect to claims 7, 8, 10, 17, and 18 thereof) is a good and valid patent, and that the public have also acknowledged the claims of your orator to the exclusive right to said invention under said patent; and that, but for the infringement and wrongs hereinafter complained of, your orator would now be in the peaceful possession and enjoyment of the said Letters Patent and invention, and of the income derivable therefrom.

7. Your orator further shows that on or about February 7, 1897, it filed its bill of complaint in the Circuit Court of the United States for the Southern District of New York, against Cleveland Walcutt and Edward F. Leeds, doing business under the firm name and style of Walcutt & Leeds, at No. 53 East Eleventh Street, in the City of New York, both said Walcutt and said Leeds being citizens of the State of New York and inhabitants of the Southern District of New York, the said bill alleging infringement of Letters Patent No. 341,214, above mentioned, and particularly of claims 7, 8, 10, 17, and 18 thereof; that the said defendants duly appeared and answered; that replication was filed, proofs taken, and the cause brought on for final hearing before Hon. Hoyt

6 H. Wheeler, District Judge, and that on the 19th day of January, 1898, a decree was duly entered establishing the validity of said Letters Patent No. 341,214, as to claims Nos. 7, 8, 9, 10, 17, and 18, and the title of your orator thereto, and the fact of the infringement thereof by the said defendants therein by the manufacture of "duplicate sound-records," and awarding a perpetual injunction, which said decree now remains in full force and effect, as by a duly authenticated copy of said decree, in Court to be produced, will more fully and at large appear; and that a writ of injunction in accordance with said decree of said Circuit Court duly

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issued against said Walcutt and said Leeds, was served, and now remains in full force and effect.

*Bill of Complaint,  
filed May 24, 1899.*

8. And your orator further shows, upon information and belief, that the defendants, and others acting in connection with them, well knowing the premises, since the grant of said Letters Patent, and since the acquiring by your orator of its title thereto, as hereinbefore set forth, within the said Northern Division of the Northern District of Illinois and elsewhere in the United States, wrongfully and unlawfully, and with the intent to injure your orator, and to deprive it of the just profits resulting from said invention, which profits otherwise would accrue to it from the practice of said invention, and without the license or consent of your orator, have both jointly and severally, made, used and vended sound-records substantially as described in said Letters Patent No. 341,214, and particularly such as are pointed out in claims numbered 7, 8, 10, 17, and 18 thereof, and that they still continue so to do, and that they are threatening to continue the aforesaid unlawful acts to a large extent, all in defiance of the rights secured

to your orator as aforesaid, and to its great and irreparable loss and injury, by which your orator has been and still is being deprived of great gains and profits that it would otherwise have obtained but for the aforesaid unlawful doings of the defendant; and your orator further shows that the said defendants have derived and received, and still are deriving and receiving, great gains and profits from such unlawful acts, but to what extent your orator is ignorant and cannot set forth, and, therefore, it prays a discovery thereof.

9. And, further, your orator shows that it has never sold any duplicating machines or apparatus for making copies of original sound-records, or authorized any person or persons to manufacture or use such machines, with the exception of a shop-right granted to the National Phonograph Company, and limited to use at a single shop, and that no such machines or apparatus have ever been sold under its patents; that the duplicating machines now in possession of the said defendants were not sold by complainant, nor under its patents, nor made by its authority; that such machines are not capable of any use except to manufacture sound-records, such as described in said Letters Patent No. 341,214, and particularly pointed out in said claims numbered 7, 8, 10, 17, and 18 thereof; that the said machines are of small size, can be readily transported from place to place, and used and operated in secrecy, and that, with a relatively small number of said machines, such as could operate in a room of moderate size, it is possible to manufacture over a thousand sound-records a day.



10. And your orator further shows unto your Honors that the manufacture, use, and sale by the said defendants, of sound records embodying, employing, or containing the invention set forth in said letters patent No. 341,214, and their preparation for continuing, and their avowed determination to continue, the same and their other aforesaid unlawful acts, in disregard and defiance of the rights of your orator, have the effect to, and do, encourage and induce others to venture to infringe said Letters Patent.

11. And your orator further shows, upon information and belief, that your orator and all persons making under authority of your orator apparatus for recording and reproducing sounds and sound-records, employing, embodying and operating or made in accordance with, the invention described and claimed in the Letters Patent aforesaid, have given notice to the public that the same are patented, and have affixed thereto the word "patented," together with the day and year the said patent was granted; and your orator further shows that the said defendants were duly notified of their infringement herein complained of, but refused to desist therefrom and still continue so to do.

And, therefore, your orator prays as follows:

(1) That the defendants and each of them, and the associates, attorneys, servants, clerks, agents, and workmen of them and of each of them, may be perpetually enjoined and restrained by a writ of injunction, issuing out of and under the seal of this Honorable Court, from directly or indirectly making or causing to be made, using or causing to be used, selling or causing to be sold, any apparatus or sound-record embodying or constructed or operated in accordance with, the invention or improvement set forth in the Letters Patent aforesaid, or from in any wise counterfeiting or imitating the said invention or any sound-record made or operated in accordance therewith, or like or similar to those which the said defendants have heretofore made, used, or sold.

9 (2) That the defendants and each of them may be compelled, by the order of this Honorable Court, to deliver up to the judicial custody for destruction, in manner to be provided for in said order, all apparatus for making duplicate sound-records, and all duplicate sound-records in the possession or under the control of said defendants or of any of them, either in whole or in part.

(3) That your Honors will grant unto your orator a preliminary injunction, issuing out of and under the seal of this Honorable Court, enjoining and restraining the said defendants and their associates, servants, clerks, agents, and workmen, to the same purpose, tenor and effect, as hereinbefore prayed for with regard to said perpetual injunction.

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10 (5) That the costs and expenses which have accrued or may accrue to your orator as orator of this Honorable Court in connection with the defendants' infringement of the said patent may increase the damages payable by the defendants, the damages assessed by this Honorable Court.

(6) That the defendant was guilty of perjury in his testimony; and,

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*Bill of Complaint.*

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(4) That your Honors will grant unto your orator a rule upon the said defendants and each of them, commanding that they and each of them deliver up to the judicial custody to abide the result of the cause, all apparatus for making duplicate sound-records and all duplicate sound-records in the possession or under the control of said defendants or of any of them; or, in the alternative, that your Honors grant unto your orator the further writ of injunction pendente lite issuing out of and under the seal of this Honorable Court, commanding, enjoining and restraining the said defendants and each of them and the associates, attorneys, servants, clerks, agents, and workmen of them or of any of them, against selling, leasing, encumbering, removing from its present location, or in anywise parting, either in whole or in part, with the title to and possession of any apparatus for making duplicate sound-records, now owned, either in whole or in part, by said defendants or any of them or in their possession or under their control.

Bill of Complaint,  
filed May 24, 1899.

10 (5) That the defendants may be required by a decree of this Honorable Court to account for all such gains and profits as have accrued or arisen, or been earned or received by them or of any of them, and all such gains and profits as would have accrued to your orator but for their unlawful doings; and also that this Honorable Court may assess all the damages which your orator has incurred, or shall have incurred, on account of the defendants' infringement of said Letters Patent No. 341,214, and may increase the damages to a sum not exceeding three times the amount thereof; and that the said defendants be required to pay over to your orator, in addition to the profits accounted for by the defendants, the damages incurred by your orator, so as aforesaid assessed by this Honorable Court.

(6) That the defendants be decreed to pay the costs of this suit; and.

(7) That your orator may have such other and further relief as the equity of the case may require.

To the end, therefore, that the said defendants may, if they can, show why your orator should not have the relief hereby prayed, and may full, true, and direct answer make—but not under oath, answer under oath being expressly waived—according to the best and utmost of their knowledge, information, remembrance, and belief, to the several matters hereinbefore averred and set forth, as fully and particularly as if the same were repeated paragraph by paragraph, and said defendants thereto severally and specifically interrogated, may it please your Honors to

11 grant to your orator a writ of subpoena ad respondendum issuing out of and under the seal of this Honorable Court,



*Bill of Complaint.*

Bill of Complaint,  
filed May 24, 1899.

directed to said defendants, the Talking Machine Company, Polyphone Company, Leon F. Douglass, individually and as an officer of said Polyphone Company, and Henry B. Babson, individually and as an officer of said Talking Machine Company, and each of them, commanding them to appear and make answer to this bill of complaint, and to perform and abide by such order and decree herein as to this Court may seem just.

And your orator will ever pray.

AMERICAN GRAPHOPHONE CO.,

By E. D. EASTON,

(Corporate Seal.)

President.

POOLE & BROWN,

Solicitors for Complainant.

PHILIP MAURO,

Of Counsel for Complainant.

12 State of New York, } ss.  
County of New York.

Edward D. Easton, being duly sworn, deposes and says that he is president of the American Graphophone Company, named as complainant in the foregoing bill; that he has read the same and knows the contents thereof, and that the same is true of his own knowledge, save of the matters therein stated, to be alleged upon information and belief, and that as to those matters he believes it to be true; and that the seal affixed to said bill is the corporate seal of said complainant, and was by him affixed to the bill by authority of said corporation.

EDWARD D. EASTON,

Subscribed and sworn to before me, this 18th day of May, 1899.

ELISHA K. CAMP,

(Seal.)

Notary Public, N. Y. Co.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,

Clerk.

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*Motion for Injunction.*

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13 IN THE CIRCUIT COURT OF THE UNITED STATES.

Motion for Injunction, filed  
May 24, 1899.

For the Northern District of Illinois.

Northern Division.

American Graphophone Company,  
Complainant, }  
vs. } In Chancery,  
Talking Machine Company, et al, } No.  
Defendants. }

*Motion for Injunction.*

And now comes the Complainant, by Poole & Brown, its Solicitors, and moves that a writ of injunction pendente lite issue out of and under the seal of this Honorable Court against the Defendants, and each of them, in accordance with the prayer of the Bill of Complaint.

Chicago, Illinois, May 24th, 1899.

POOLE & BROWN,  
Complainant's Solicitors.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,  
Clerk.

14 IN THE UNITED STATES CIRCUIT COURT.

Northern District of Illinois.

Northern Division.

Affidavit of D. E. Cartier for use in a suit about to be brought in said Court by the American Graphophone Company, Leon F. Douglass and others.

Affidavit of D. E.  
Cartier, filed  
May 24, 1899.

State of Illinois, }  
County of Cook. } ss.

Dezera E. Cartier, of lawful age, being duly sworn, states as follows:

On Thursday, May 11th, I met a man whose name I understood to be F. Morton Lester, in his room at No. 51 Ann Street, Chicago, and was told by said Lester that he was obtaining some evidence against certain parties in regard to the talking machine business,



Affidavit of D. E.  
Cartier, filed  
May 24, 1869.

and I was asked by Lester to go on certain errands and do other things under his directions as might be necessary for getting the required evidence.

When I first met Mr. Lester he had in his room a number of graphophones, duplicating apparatus and records, and he showed me how duplicating records were made from original records. After he had explained those different matters to me and we understood each other, he gave me a letter to Mr. Rupp, who is running a small place called a Phonograph Parlor on Clark Street in the Ashland Block, introducing me to him as his brother-in-law. I went to the place indicated and took the letter there and delivered it to Mr. Rupp. From there Mr. Rupp and myself went to 15 107 Madison St., where we went to the rooms of the Talking

Machine Company on the third floor at that number, and there we listened to a Grand Machine, or what they called a "Concert Grand Polyphone," with a nickel in the slot attachment. After we had listened to that machine, we went to Mr. Rupp's place and from there we went to see Mr. Lester. There Mr. Lester tried some records that Rupp brought with him from his place. There was one in particular that I noticed; it was the song called "My Old New Hampshire Home." Mr. Lester said to Mr. Rupp: "This is a good copy," and Rupp says "Yes, it is," and then there was another one that was a good one, and Lester says "That is a good copy" and Rupp said "Yes." This was also one of the records that Rupp brought with him from his place. After we had tried several of them Lester said "How much are these?" and Rupp said "Twenty cents apiece," and Lester says "Then for five of them it would be a dollar," and Rupp said "Yes," and Lester handed him a dollar and said to him "Here is your dollar for five." Mr. Lester said to him that he, Rupp, probably would not want to buy one of the duplicating machines because he could get the records from Douglass, and he said "No, not as long as he could get the records duplicated for twenty cents apiece it would not be policy for him to buy one of these machines," or words to that effect. He said "I buy my master records of Norcross," and then he said "I take them over to Douglass and he furnishes me with a blank, the cotton and the cardboard and sometimes the label, and 16 it only costs me twenty cents apiece, and I would be foolish to buy a duplicating machine." Then Mr. Lester spoke to him about getting some more duplicates from Douglass and he said "Yes" that he could get him some more and Lester said, "All right, I will send down some records to-morrow." After that he showed Mr. Rupp the different duplicating machines; the Bettini and two other machines that he had there. There were

three of them. The next morning Mr. L also two records wh tify them, to be del over to Mr. Douglas with cotton by sticki and also by cutting o told me to take the n have him go over to ferent prices on the Rupp's place and ha records and a packag Douglass' place and desk in the office of t cupied by a man who is, I should judge, al and somewhat tall Fred Babson, who is which is called the T back into a back 17 and we heard it machine awhile: chine, indicating that told by Lester that tl the note were sent to wrote the note which effect that Lester sen from each. In other those two. Then I t right there—to make Machine and give to the records, which he two records that I br Then when we got in an awful break you n you told that young ready and hand it to I said to Rupp, "W that you could get the don't want these peop for anybody else." I didn't think he wot back to Rupp's place



three of them. Then Mr. Rupp left to go back down town. The next morning Mr. Lester gave me another letter to Mr. Rupp and also two records which he had marked so that we could identify them, to be delivered to Mr. Rupp who would take them over to Mr. Douglass to be duplicated. Mr. Lester marked them with cotton by sticking some of the cotton inside with liquid glue and also by cutting one or both with his knife. Then Mr. Lester told me to take the note and those two records to Mr. Rupp and have him go over to Douglass' place and if possible to get the different prices on the Concert Grand Polyphones. I went to Mr. Rupp's place and handed him the letter and he took the package of records and a package of his own and together we went to Mr. Douglass' place and there he laid the two packages on the top of a desk in the office of the Talking Machine Company, which was occupied by a man whom he called Fred. The young man called Fred is, I should judge, about thirty or thirty-two years of age, slender and somewhat tall. I afterwards learned that this man was Fred Babson, who is one of the concern located in the rooms, and which is called the Talking Machine Company. From there we went back into a back room where this Concert Grand Machine is 17 and we heard it play three or four pieces. We listened to the machine awhile and then I asked about the prices on the machine, indicating that Lester and I wanted to buy it. I had been told by Lester that the two records which I took to Mr. Rupp with the note were sent to Rupp to be duplicated by Douglass. I myself wrote the note which I carried to Mr. Rupp, and this note said in effect that Lester sent two records and he wanted duplicates made from each. In other words, he wanted four records made from those two. Then I told the man called Fred—Rupp was standing right there—to make out his list of prices on the Concert Grand Machine and give to Rupp the next day when he was to come after the records, which he said he would do. Mr. Rupp had left the two records that I brought down to him and also some of his own. Then when we got into the elevator Rupp said to me, "That was an awful break you made." I asked him what and he said, "When you told that young man (meaning Fred), to have the list of prices ready and hand it to Rupp the next day when he got the records." I said to Rupp, "Well, I didn't mean it in that way; I meant that you could get the list and hand it to me." He then said "I don't want these people to know that I am getting these duplicates for anybody else." Then I told him that from the remark I made I didn't think he would know that. Then from here we started back to Rupp's place and I left him on Clark St., between Wash-

Affidavit of D. E.  
Curtler, filed  
May 24, 1939.



Affidavit of D. E.  
Cartier, filed  
May 24, 1899.

ington and Randolph From there Rupp went back to his place and I went back to 51 Ann St. and there reported to Lester what I had done. The next morning Lester gave me another letter to Rupp—that was 18 Saturday morning, May 12th,—and told me to take it to Mr.

Rupp and with him go over to the Talking Machine Company and get the records, and tell him that we have concluded to buy one of the Concert Grand machines. I delivered the letter to Rupp, and he and I went over to the place of the Talking Machine Co. and while listening to the Concert Grand machine playing, Fred went to the front room and got a package of records and came out and handed them to Rupp, and Rupp asked him how much they were and he said two dollars, and Rupp paid him the two dollars for the records. Then Rupp said to Fred "Let's go out and see that Bettini duplicator," and he asked Rupp how long it would take to go out and the latter said about fifteen or twenty minutes each way, and then he asked me if Lester was there and I said "Yes," as he was there when I left him. So then all three of us got on the car and started out to Lester's. Rupp took with him the package which Fred had handed to him in the room. When we got out to 51 Ann St., we found that Lester was not there. A lady said that he had gone out about ten minutes before. So Rupp left the package there; he handed it to this lady. I staid there and said I would wait until Lester got home, and Rupp and Fred took the car and started back toward town. The lady set the package down at Lester's door. I waited until Lester came back, and Lester then picked up the package and took it inside of his room. The package was not opened at all. Just before Lester came a man by the name of Lambert came, and we were sitting on the front steps when Lester came along. The three of us then went into the room and there Lambert and Lester began talking about a duplicate machine which was all apart which Lester wanted him to take down to his shop and repair for him. During this conversation there was one remark in particular that I remember.

Lester asked Lambert if he had made one of these duplicating machines for Douglass, and he said "Yes," that he made it about three months ago and got two hundred dollars for it, or words to that effect. Lester also asked him if he would make one for him, and he said yes, he would at any time. Lester asked him if he had patterns for making the machine and he said "Yes," that he had all of them. Lambert said that he wanted to get a suit against the Columbia people for damages. He said he had a room where he allowed no one to go in excepting himself and whoever

was helping him that he wanted Columbia people possible get the damage suit against other room out eating devices, ing machine with Lester, and Mr. worth to fix it. to get it into room by the name of Mr. Lyle at 21 age of records a house. The package had not been Madison Street. Gibson came on place, where I did what I had 20 15th, I called the package bore no evidence in my presence and had been marked knife, as I before unwrapped and found Notary "Compl. Marie L. Price, Lester's Original Said packages are Lester's Original nal Record No. 2 Notary Public in cate of Lester's Public," and the of Lester's Original These four duplicate boxes in the usual the boxes had no This package copy of which I have no



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was helping him. He said he did not do any duplicating work there; that he wanted to make it look as mysterious as possible, so that the Columbia people would think he was doing such work there, and if possible get them to break into the place, and then he would have a damage suit against them. I understood him to say that he had another room out at his house where he could do the work on duplicating devices. Then when he left he took the parts of his duplicating machine with him, and he was to repair it and fix it up for Mr. Lester, and Mr. Lester told him he would pay him whatever it was worth to fix it. His words were "I will pay you whatever it is worth to get it into running order." After Mr. Lambert had gone a man by the name of Smith came, and Mr. Lester told me to report to Mr. Lyle at 211 State Street. I started over there, taking the package of records and duplicates with me that Rupp had left at Lester's house. The package had remained at Lester's room in my sight and had not been opened since it was taken from Douglass' place on Madison Street. Before I reached the Madison street cars, Archie Gibson came out of the house, and he and I went down to Mr. Lyle's place, where I delivered the package to Mr. Lyle, and told him what I had learned. During the forenoon of Monday May 20 15th, I called at the office of Poole & Brown, and there found the package which I had delivered to Mr. Lyle, and which bore no evidence of having been opened. The package was opened in my presence and in the same was found the two records which had been marked by Mr. Lester with cotton and by cutting with a knife, as I before stated, and these two records were in my presence unwrapped and found so marked and were then marked by the Notary "Complainant's Exhibit, Lester's Original Record, No. 1, Marie L. Price, Notary Public," and "Complainant's Exhibit, Lester's Original Record, No. 2, Marie L. Price, Notary Public." Said packages also contained four duplicate records, one made from Lester's Original Record No. 1 and the other from Lester's Original Record No. 2 and two of said duplicates were marked by the Notary Public in my presence as "Complainant's Exhibit, Duplicate of Lester's Original Record, No. 1, Marie L. Price, Notary Public," and the other two, "Complainant's Exhibit, Duplicate of Lester's Original Record No. 2, Marie L. Price, Notary Public." These four duplicate records were packed in strawboard tubes or boxes in the usual way, but were without any labels enclosed, and the boxes had no writing or other marks thereon.

This package contained also a number of other records in boxes, of which I have no personal knowledge.

Affidavit of D. E.  
Cartier, filed  
May 24, 1899.



14

*Affidavit of George W. Lyle.*

Affidavit of D. E.  
Cartier, filed  
May 24, 1899.

And further affiant saith not.

DEZERA E. CARTIER.

Subscribed and sworn to before me this 16th day of May, A. D.  
1899.

(Notarial Seal.)

MARIE L. PRICE,  
Notary Public.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,  
Clerk.

21

## IN THE UNITED STATES CIRCUIT COURT,

Northern District of Illinois,

Northern Division.

Affidavit of George W. Lyle for use in a suit about to be brought  
in said court by the American Graphophone Company against the  
Talking Machine Company, Leon F. Douglass and others.

Affidavit of G. W.  
Lyle, filed May  
24, 1899.

State of Illinois, }  
County of Cook. } ss.

George W. Lyle of lawful age, being duly sworn, states as follows: That he is the manager of the Chicago office of the Columbia Phonograph Company; that on Saturday, May 13th, 1899, one Dezera E. Cartier brought to affiant's office a package which affiant understood to contain a number of graphophone records; that said package remained unopened in affiant's office and was locked up in affiant's desk from the time it was received until the forenoon of Monday, May 15th; that affiant then took said package, still unopened, to the office of Poole & Brown, attorneys for the American Phonograph Company, and at said office of Poole & Brown, in the presence of said Cartier, Archie Gibson, C. C. Poole, Frank P. Moore and Marie L. Price, notary public, said package was opened, and to affiant's knowledge had not before been opened.

And further affiant saith not.

GEORGE W. LYLE.

Subscribed and sworn to before me this 17th day of May, A. D.  
1899.

(Notarial Seal.)

MARIE L. PRICE,  
Notary Public.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM.

22

IN THE U

Affidavit of Antl  
said Court by the  
Talking Machine Co

State of Illinois, }  
County of Cook. } ss

Anthony S. True,  
states as follows:

On May 5th, 1899,  
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22 IN THE UNITED STATES CIRCUIT COURT, .

Northern District of Illinois,

Northern Division.

Affidavit of Anthony S. True for use in a suit to be brought in said Court by the American Graphophone Company against the Talking Machine Company, Leon F. Douglass and others.

State of Illinois, }  
County of Cook. } ss.

Anthony S. True, of lawful age, being duly sworn, on oath states as follows :

Affidavit of A. S.  
True, filed May  
24, 1899.

On May 5th, 1899, at 7 o'clock in the evening, I met by appointment Mr. F. Morton Lester at his room, 51 South Ann Street. While I was sitting talking with him a Mr. Reimers came with a duplicating machine and some records. Mr. Lester introduced me to Mr. Reimers. Mr. Lester first set up a duplicating machine, or device for duplicating graphophone records, which he had in his possession when I met him, and operated it before Mr. Reimers and myself. Mr. Reimers pronounced it a "swell duplicator"; after which said Reimers set up a machine or device for the same purpose which he had brought with him, and with it made records from master records. He first used a record he brought with him and afterwards a record that Mr. Lester had. Said Reimers also made by the use of the duplicating machine a record from the duplicate which he had made, which was not very good, but he said that the machine was new and did not work just right, but could be easily fixed. Reimers also stated that the duplicating machine he had with him was so simple that any one could work it; that he himself had run four at one time. Upon being asked what he would sell three for, Reimers said that he could furnish three at \$25 apiece without a motor, and he thought he could get the motors for \$10 each. He commented on the stock Mr. Lester had in his room and said he had enough to start quite a laboratory of his own,—Mr. Lester having in his room at the time a number of phonographs, duplicators, graphophones, records, blanks and other things pertaining to the talking machine business. He said "You ought to see Douglass' laboratory; it is the worst looking place you ever saw." Mr. Lester asked him if he could furnish him a Graphophone Grand duplicator. He said "Certainly." Upon being asked the price he said he could furnish him one for



Affidavit of A. S.  
True, filed May  
24, 1899.

\$200. Mr. Lester asked him if he would give him \$100, would he have it ready so that he could take it home within his limit of ten days to California, and he said that he could. He warned Lester to be very careful how he worked it, as the firm he worked for had had an injunction served upon them, and he related the manner in which it was done. Later in the conversation Mr. Lester asked Reimers if Douglass "stood in," and his answer was, "I think he does, as he can get anything he wants out of the Columbia Graphophone Company." Mr. Lester asked him if Douglass had four or five duplicating machines and he said "Oh,—ten." He asked him if he had been up there lately and he told him he had not for a short time. He also stated that Mr. Leachman, who was an employe of Douglass had a duplicating machine at his house. And further affiant saith not.

ANTHONY S. TRUE.

Subscribed and sworn to before me this 17th day of May, A. D. 1899.

MARIE L. PRICE,  
Notary Public.

(Notorial Seal.)

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,  
Ck.

24 IN THE UNITED STATES CIRCUIT COURT,  
Northern District of Illinois,  
Northern Division.

Affidavit of Archie Gibson, for use in a suit about to be brought in said court by the American Graphophone Company against the Talking Machine Company, Leon F. Douglass and others.

State of Illinois, {  
County of Cook. } ss.

Affidavit of Archie  
Gibson, filed  
May 24, 1899.

Archie Gibson, of lawful age, being duly sworn, states as follows:

On Friday, May 12th last, I was at the rooms of Mr. F. M. Lester at 51 Ann Street, and said Lester showed me a number of graphophone duplicating devices and records which he had in his room at that place. While I was at said Lester's room a man by

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the name of D. E. Cartier came in, and it was arranged to have certain master records duplicated, and that said master records were to be sent to the Talking Machine Company through Mr. Rupp, for this purpose. Mr. Lester selected two original or master records from a number in his possession and marked them by sticking some cotton inside of the same by the use of liquid glue, and also by chipping the edges with his knife. The records were placed on the graphophone and I heard them reproduce different things, one being "Cotton Blossoms" by the Metropolitan Band, and the other "Mr. Johnson Turn Me Loose," a vocal solo by Mr. Browning of the Brownies. These two original records I wrapped up myself and handed them to Mr. Cartier, and he left Mr. Lester's place with the understanding that he was going to meet Mr. Rupp.

Affidavit of Archie  
Gibson, filed  
May 24, 1899.

The next day, Saturday, May 13th, I went to Mr. Lester's house, Mr. Lester was not there but Mr. Cartier was there waiting for him. He called my attention to a package at the door of Mr. Lester's room which he said contained the records that he had taken the day before, and also duplicates thereof. A short time afterwards Mr. Cartier started from Mr. Lester's house, with the package referred to, and we went together to the office of the Columbia Phonograph Company, where Mr. Cartier left the package with Mr. Lyle.

On Monday morning, May 15th, I came to the office of Poole & Brown, and there saw the same package which Mr. Cartier had left with Mr. Lyle on the Saturday preceding. The package was opened in my presence and found to contain the two original records which were marked by Mr. Lester, as I have before stated, and also two duplicates of each of said records. The two originals and four duplicates I examined and tested on a graphophone, and the originals were marked in my presence "Complainant's Exhibit Lester's Original Record No. 1, Marie L. Price, Notary Public," and "Complainant's Exhibit Lester's Original Record No. 2, Marie L. Price, Notary Public." The duplicates were similarly marked in my presence "Complainant's Exhibit Duplicate of Lester's Original Record No. 1, Marie L. Price, Notary Public," and "Complainant's Exhibit, Duplicate of Lester's Original Record No. 2, Marie L. Price, Notary Public." The package referred to also contained a number of other records concerning which I have no personal knowledge.

Affiant further states that on the same day, namely, Monday, May 15th, he was asked by F. M. Lester to see W. F. Rupp and pay him the sum of two dollars for duplicate records obtained by Mr. Rupp for said Lester; that affiant went to the Phonograph Parlor of Mr. Rupp, in the Ashland Block on Clark Street that day,



Affidavit of Archie  
Gibson, filed  
May 24, 1899.

and handed the sum of two dollars to Mr. Rupp, asking him for a receipt, and that Mr. Rupp then gave him a written memorandum or receipt which bears the words "Received from Mr. Lester \$2.00, W. F. Rupp" and that the receipt marked by the Notary, "Complainant's Exhibit, Rupp Receipt, Marie L. Price, Notary Public," is the same receipt that was given to affiant by the said Rupp.

And further affiant saith not.

ARCHIE GIBSON.

Subscribed and sworn to before me this 17th day of May, A. D. 1899.

(Notarial Seal)

MARIE L. PRICE,  
Notary Public.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,  
Clerk.

27 Affidavit of E. D. Easton, for use in suit about to be brought in the Circuit Court of the United States for the Northern Division of the Northern District of Illinois by the American Graphophone Co., against the Talking Machine Co., et al.

American Graphophone Co., }  
vs. } In Equity.  
The Talking Machine Co. }

Affidavit of E. D.  
Easton, filed  
May 24, 1899.

State and County of New York, ss.:

Edward D. Easton, being duly sworn, deposes and says:

I reside at Arcola, New Jersey, and am President and General Manager of the American Graphophone Company, complainant herein. I am also President of the Columbia Phonograph Company, sole selling agent of complainant. I have given my attention to the talking machine business since the beginning thereof, and am familiar with both the past history, the course of development, and the present conditions of that business in all its details.

The art of recording and reproducing sounds for practical purposes is based upon Patent No. 341,214, granted May 4, 1886 to Chichester A. Bell and Sumner Tainter, and now owned by the American Graphophone Company. This patent describes (among other inventions) a "sound record," having certain features of characteristics. Claims 7, 8, 10, 17 and 18 are for this "sound record" as a distinct article of manufacture. A "sound record"

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as an article of manufacture may be briefly defined as a solid body, preferably of wax or wax-like composition, having narrow lines cut therein in the form of a groove or channel with sloping walls and irregular bottom, the irregularities or undulations of the bottom corresponding to the sound-waves. The channel itself is minute and the variations in its bottom are microscopic, therefore appearance alone does not determine absolutely whether or not a given article is a "sound-record"; the test lies in the result produced by using the article in connection with the "reproducing instrument."

"Sound-records" are of two kinds: first, originals, made directly, in the usual way, by the operation of a graphophone upon a blank tablet (or cylinder) by means of sounds uttered into the funnel of the machine as they come from their ordinary source; and, second, duplicates, which are copies or counterparts of the original sound-records, transferred to the surface of blank-tablets, and not made thereon by the original sound-waves at all. These two kinds of sound-records are substantially identical and their operation is practically the same, the only real difference being in the manner of the production.

All practical duplicating machines are constructed on the same general plan, and operate on the same principle. They comprise two parallel revoluble supports for the tablets (generally mandrels), means for revolving them at the same speed, and the transferring device proper, which latter consists of a transverse arm mounted to travel bodily from one end of the mandrels to the other and carrying a lever or system of lever free to vibrate in any direction relatively to its mounting. This lever has at one end a blunt rubbing-style or "follower" (practically the same as the style of a "reproducer"), and at the other end a sharp cutting-style. The bodily side-wise movement of the arm and its connected parts is generally imparted by a feed-screw mechanism, geared with the mechanism for revolving the mandrels.

The operation is as follows: A sound record is placed on the mandrel or support that is next to the rubbing-style, and a blank tablet is placed on the other mandrel (next, of course, to the cutting style). When the machinery is started the rotation of the mandrel presents to the rubbing style each portion of the groove around the sound-record while at the same time the bodily forward movement of the style itself (with the parts that carry it) causes the style to be guided through the whole length of the groove. In the meantime the cutting-style at the other end of the arm is cutting out in the surface of the blank tablet another and corresponding

Affidavit of E. D.  
Easton, filed  
May 24, 1899.



Affidavit of E. D.  
Easton, filed  
May 24, 1899.

channel. The irregularities or "hills and valleys" at the bottom of the groove of the sound-record, by alternately lifting the follower and allowing it to fall back, cause vibrations in the style, which vibrations are communicated through the transmitter to the cutting-style. Of course these "ups and downs" of the cutting-style cause it to imbed itself to a greater or less depth into the tablet, the result being to produce undulations or irregularities in the bottom of the groove being cut. These undulations are the counterpart of those in the groove of the original or "master," and correspond to the sound-waves.

It is obvious that such a machine as I have just described can have no use except to produce copies or counterparts of a "master" record—in other words, to make "duplicates." It is expressly contrived and adapted to that purpose, and from the very nature of its construction is utterly incapable of any other use.

These duplicating machines are small and compact. It is easy to conceal them and they can be readily boxed up and shipped from one infringer to another or sent out of this jurisdiction. Such a table or stand as accommodates a typewriting machine is sufficient for a duplicating machine. From this it can be estimated how many duplicating machines can be crowded into one room, and it can readily be seen with what ease they can be sent out of the jurisdiction of the Court by those engaged in making counterfeit or duplicate sound-records.

I am personally acquainted with Leon F. Douglass, one of the defendants, and the principal organizer and Manager of the defendant companies. Said Douglass was the Manager of the Chicago Talking Machine Company, which formerly did a general talking-machine business in Chicago, and which sold out to the Complainant Company in August 1897. He was then made the Manager of Complainant's Chicago Office which position he held until February 1898 when he was relieved of the management in order to devote himself to experimental work for the benefit of complainant. For this work he received a salary, in addition to his expenses, and his employment continued until the Fall of 1898, at which time he expressed a desire to go into business for himself. The defendant companies, organized by him have had trade relations with complainant, and have enjoyed its most favorable terms, Mr.

Douglass having repeatedly promised, for himself and his associates, to conduct the business in strict conformity to the rules established by the complainant. Mr. Douglass is well aware of the efforts of the complainant to suppress the manufacture of duplicate records, and while in complainant's employ, has actively resisted

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Subscriber

(Seal.)

(Endorsed)

32 Affidavit  
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Charles A.  
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in discovering surreptitious infringements, in procuring evidence and establishing complainant's rights against infringers in Chicago.  
EDWARD D. EASTON.

Affidavit of E. D.  
Easton, filed  
May 24, 1899.

Subscribed and sworn to before me this 18th day of May, 1899.

(Seal.) ELISHA X. CAMP,  
Notary Public, N. Y. Co.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,  
Clk.

32 Affidavit of C. A. L. Massie for use in suit about to be brought in the United States Circuit Court for the Northern Division of the Northern District of Illinois by the American Graphophone Co., against the Talking Machine Co., et al.

American Graphophone Co. }  
vs. } In Equity.  
Talking Machine Co., et al. }

State of New York }  
County of New York. } ss.

Charles A. L. Massie, being first duly sworn, deposes and says:  
I am an attorney-at-law and reside in the City and State of New York. During the last year and a half I have been associated with Philip Mauro, Esq., General Counsel for complainant herein, and during that period have been engaged in complainant's patent litigation, particularly on U. S. Letters-patent No. 341,214, here in suit. I am familiar with the Walcutt & Leeds suit referred to in paragraph 7 of the bill of complaint. A writ of injunction having been served on those defendants, and they continuing the acts complained of, contempt proceedings were instituted against them. On March 28, 1898, Judge Wheeler filed an opinion adjudging said Walcutt & Leeds guilty of contempt. The defendants had been charged with making duplicates of sound-records; their contention was that they had a right to do this, because they had made their duplicates on licensed phonographs with an additional  
33 "mechanical contrivance"; but the learned Judge held that while the owner of a licensed graphophone (or phonograph) had the right to make records thereon by the ordinary normal use of such graphophone, yet he did not have the right to make dupli-

Affidavit of C. A.  
L. Massie, filed  
May 24, 1899.



Affidavit of C. A.  
L. Music, filed  
May 24, 1899.

ates by using even licensed phonographs with the addition of a mechanical contrivance.

On or about April 1, 1898, complainant instituted two suits in the Northern Division of the Northern District of Illinois, one against Aaron J. Jones, and the other against W. C. Backof and the Western Phonograph Co., charging infringement of this same patent (No. 241,214), by the manufacture of duplicates. On April 14, 1898, Judge Grosscup granted an order directing the defendants to deliver their duplicating apparatus and duplicates of sound-records to the United States Marshal pending the determination of the cause. On April 25, 1898, his Honor granted an injunction after hearing both parties, saying:

"I concur, both through comity and upon reason, with the conclusion of Judge Wheeler in the contempt proceedings of American Graphophone Co. vs. Walcutt, et al. The sound-records in that case were, in effect, counterfeited by means of intervening mechanism from the original records. The license implied in a sale can, by no implication, be made to include a license to counterfeit what otherwise would not be permissible."

On February 1, 1899, complainant filed its bill in the Eastern District of Pennsylvania against Hawthorne & Sheble, et al., charging infringement of the patent here in suit by the manufacture and sale of duplicates of sound-records and of apparatus for making the same, and noticing its motion for injunction. Judge Dallas granted an ex parte restraining order, and after hearing the argument on the motion (which was strenuously opposed) handed down an opinion saying (inter alia) that the evidence

"showed a sale by defendants of a machine which cannot be used for any purpose except to make duplicates of sound-records described and claimed in the patent in suit; and, the validity of the patent and that the unlicensed making of such sound-records would violate it, being conceded, there is no room for question that this sale of a machine . . . constituted an infringement."

He therefore directed a preliminary injunction, which has since been made perpetual.

On January 30, 1899, Complainant brought suit in the Southern District of New York against F. H. Prescott et al. On February 1, 1899, it brought suit in the District of Rhode Island, against Williams & Rankin. On March 17, 1899, it brought suits in the Southern District of New York, one against George W. Merrill, Jr., et al., and the other against the Multiplex Phonograph Co., et al. The infringement charged in all these suits was the manufacture, use and sale of duplicating apparatus. And in all cases the Judge granted an *ex parte* restraining order; and the defendants,

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Affidavit of  
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State of Illinois  
County of Cook

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after consulting able counsel, surrendered their duplicating apparatus, paid damages and costs, and allowed final decrees to be entered against them.

Affidavit of Charles  
A. L. Massie, filed  
May 24, 1899.

CHARLES A. L. MASSIE.

Subscribed and sworn to before me this 18th day of May, 1899.

ELISHA K. CAMP,

Notary Public,  
N. Y. Co.

(Seal)

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,

Clk.

35 IN THE UNITED STATES CIRCUIT COURT,

Northern District of Illinois

Northern Division.

Affidavit of Frank Paul Moore for use in a suit about to be brought in said court by the American Graphophone Company against the Talking Machine Company, Leon F. Douglass and others.

State of Illinois, } ss.  
County of Cook.

Frank Paul Moore, being duly sworn, on oath states as follows:  
I am an employe of the Columbia Phonograph Company, with headquarters at Liberty Street and Broadway, New York City; and am an expert machinist and electrician and acquainted with all the different types of duplicators. I was sent to Chicago, Illinois, to find who, if anybody, was making and selling duplicating machines for reproducing graphophone and phonograph records; also if any parties were duplicating records on their own account and what is termed "scalping" and selling goods from the dealer to the consumer. For the purpose of this inquiry, I assumed the name of F. Morton Lester. In Chicago I became acquainted with a man by the name of George Smith, an expert machinist, who has stated to me that he was formerly an employe of Mr. Leon F. Douglass, and that he made for said Douglass while in the latter's employ, what is known and termed the Douglass Duplicating Machine, or what was sometimes called the "Chicago" Duplicating Machine. The said Smith told me that he not only made and sold such duplicating machines for Mr. Douglass, but that he was now out of that

Affidavit of Frank  
P. Moore, filed  
May 24, 1899.



Affidavit of Frank  
P. Moore, filed  
May 24, 1899.

kind of business, because he has been, in his own language, "thrown down" by Mr. Douglass, or had had a quarrel with him. I asked him who was running the place now—who had his place? He said he did not know exactly, he was not really sure of that, but he did know this—that he made four Edison duplicators while with said Douglass; that the latter employed girls to run these machines, and they had a man in there that looked after them, kept them in order. He also told me the name and address of the man who would know more about it and how things were being conducted now at the present moment, than he did. He told me that they were duplicating now in the premises at No. 107 Madison street. He said he knew this—that they were making duplicate records in numbers all the way from 500 to 800 a day. I asked him if he would write down the name of the man who was closely connected with said Douglass, saying I would like to see him about either buying or selling a duplicate. Instead of writing it down he gave me the address and I wrote it in my note book. It was a man by the name of Lambert, on Lake Street. I started down town and went into a phonograph parlor. I asked a gentleman where I could have an "M" phonograph repaired, and he gave me the name of Reimers, at the Western Phonograph Company, No. 88 State Street. Then I went up to No. 88 State Street first, before I made any effort to see Mr. Lambert I went up to the office of the Western Phonograph Company, and under pretense of being from California I got acquainted with a man who, I found out afterwards, to be the head of the firm and whose name is W. C. Backof. In conversation with him, said Backof stated to me that he had duplicating machines for sale. I asked him how much he charged for them, and he said he had got as high as \$150, but about \$50 was the right price, and asked me how many I wanted. I told him about three, but that I would have to see them in operation first, because I did not care to pay out any more money until I saw what I was buying. Then he took one down from a shelf and told me he would send it out to my house in good order. He told me that would be all right and if I would buy three he would give them to me at a good price. I offered him \$25 apiece for them. He said I had better see them running. I asked him if he could bring one up to the house where I was residing. He said he could not do it himself, as he had been served with an injunction and had to be very careful about them, but he would send the man that invented them and would also send a machine in perfect running order. I asked him if he would let me see one, and he took me to his back room, where several men were at work, and showed me the

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Affidavit of Frank  
P. Moore, filed  
May 24, 1899.

exact machine, of which the regular name is the Chicago Duplicator, or as it is sometimes termed, the Douglass Duplicating Machine. He also there introduced me to a man by the name of Henry T. Reimers, as the man who had invented the machines. Then I made an appointment at my house at eight o'clock at night, but I broke it through no fault of my own. Then on Friday, May 5th, at eight o'clock at night, the man who was introduced to me in this back room of the store on this particular morning as Mr. Reimers, arrived with a duplicating machine under his arm and half a dozen master records. At the time a gentleman whom I knew, Mr. Anthony S. True, was with me in the house, having arrived a short time before. I then showed my duplicating machine, which was like the Bottini duplicator, built on that principle, which he immediately pronounced as a "swell" duplicator, and wanted me to make an appointment with Mr. Leon F. Douglass, as he knew full well Mr. Douglass would be in a hurry to buy it or have it. I didn't want him to get it, however, but as he told me the next best man to go to would be Mr. Silas Leachman, who was an employe of Mr. Douglass; that he had a duplicating machine at his own home and also a "Graphophone Grand" duplicator. I made an appointment with Mr. Reimers to meet the latter at three o'clock the next afternoon. In the meanwhile, he was to see Mr. Leachman on the following day at noon.

Referring back to the price of the machine, he told me he would sell me three of them complete at \$65 apiece. I told him that Mr. Backof had already given me the price of \$25 apiece for the top or body and \$15 apiece for the motors. He said he thought he could get him down so that he would sell the motors at \$10 apiece on condition that I took three of them. Also, when I asked him if he could get me a Grand Duplicator and the price, he said "Yes, certainly" and the price would be \$200. When I told him

I was going back to California in a few days and asked him if I should give him an extra \$100 if he could procure me one in time so I could take it along with me, and he said "Yes."

The machine that said Henry T. Reimers tested at the interview referred to was in good working order. He not only duplicated some of his own records onto my blanks, but he made a few from my own master records in sight of both myself and Mr. True. I asked him if he could make a duplicate from a duplicate and he said "certainly," which he did. That, however, was not a saleable article. He told me that the duplicating machines being so simple anybody could run them; that he himself had run them four at a time, making good records. After that, referring to the duplicator that I had shown him, Reimers pronounced it to be the best



Affidavit of Frank  
P. Moore, filed  
May 24, 1890.

duplicating machine he had ever seen in his life, and he was more than anxious for me to be introduced to Mr. Douglass so as to sell him the machine I had with me, as he knew positively that Mr. Douglass would buy it, and before we parted for the night he made an engagement to introduce me to Mr. Douglass and the man who was next to Mr. Douglass, meaning Mr. Leachman.

I was not able to keep the appointment with Reimers on the next day, which was Saturday, at the time appointed, but did meet him on Saturday night, and he said he could not go to see Mr. Douglass until some time the following Monday or some time early in the following week. I did not go to see Douglass with Reimers at all.

I mentioned the fact again to Mr. Reimers that I would like to get, if I could, to take with me, a Grand duplicator; that I would want to know it would be all right before I paid the money.

He told me that he had in mind a man who would perhaps make it for me, and that he would see me early the following morning, and I said I would be very glad to have him see what I could do. He said this man he had in mind made one for Mr. Douglass. This conversation was on Monday, and on Tuesday we met by appointment, and he said, "I have got good news for you, Mr. Lester. The man that I told you about has promised that he will make you a Grand duplicator for two hundred dollars cash." He did not want me to mention who he was or his name, because the man did not want any one to know that he was making duplicators. Mr. Reimers also said that he would make me a first class Grand duplicator for \$200,—\$50 in advance and the other \$150 when the machine was completed; that he had made one for Mr. Douglass and charged him \$200 for it; that it was running now out at Mr. Leachman's house. When I asked him if he could get it done inside of ten days, because I had to go back to my home in California, he told me he did not know as yet, as this man was very very busy, but he would let me know that same afternoon. That afternoon I met him about three o'clock by appointment, in a phonograph parlor on Clark Street. He had with him a gentleman whom he introduced to me as Mr. Lambert the man that had made so many of those so-called Douglass duplicating machine. I treated Lambert two or three times in a bar room back of the parlor, and asked him if he was still making his machines, and he said no, that he had gone out of the business; he was in an entirely different business now. He said he had made several hundred of those machines in the past, but that he had given it up. We talked about other things in general. At the time he said that nobody knew his business, he said he had a room where nobody could enter. He said that he had got two different places." He wanted to know where I had

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Affidavit of Frank  
P. Moore, filed  
May 24, 1899.

of him first,—if I had ever heard of him before Reimers introduced us, and I told him yes, through a man by the name of Barber, a phonograph man in Denver, Colorado. Mr. Barber told me that Mr. Lambert was my man, a man that could do almost anything or make any kind of a phonograph machine. Mr. Lambert said that he knew Mr. Barber; Mr. Barber had written to him asking him to make him one. Then he said "I have never made a duplicating machine for any person unless they would put down their money in advance, or at least a part of it, so that if I made a machine it would not be left on my hands." He also said that he never gave a receipt for making them; that when he did make them he gave a receipt to read "For experimental work." He told me that I had greatly interested him by my talk of the phonograph business; that it was a very fascinating subject; that as he had so much work and kept so very busy on goods of another kind, that he had not paid much attention to the talking machine business. Then we parted for the night.

The next morning I met Mr. Reimers in Mr. Rupp's phonograph parlor in the Ashland Block on Clark Street. I said to Mr. Reimers "I have been thinking over this proposition that you made about the Grand duplicator"; and said that while I was perfectly  
42 willing to pay \$50 in advance and the other \$150 when it was finished, that it was only a matter of business and that I ought to know who was making it for me in order to know whether he would be a responsible man or not; that I would waive the matter of a receipt; that I cared nothing at all about a receipt, because when I once got the machine into my possession I would take good care that I did not have to pay for it twice. Then Mr. Reimers says "Well, you have already met the man," and added that the man he had referred to was Mr. Lambert. He said "That is the smartest man in this business," meaning in the making of duplicating machines; that he would ask Mr. Lambert whether he would make it under those conditions, and then he made an appointment with me to meet Lambert the next day, Wednesday.

The next day (Wednesday), about half past nine I went into Mr. Rupp's Phonograph Parlor, and was told that Mr. Reimers and Mr. Lambert were in back in the bar room, and I could see them there. I went back into the bar room. Those two men, Mr. Reimers and Mr. Lambert, were waiting for me. Mr. Lambert said to me "Now, Mr. Lester, I have been thinking it over and I will talk a little different now than I did yesterday. He said "I first thought that you might have something to do with the Columbia Company, and was very careful how I spoke,



Affidavit of Frank  
P. Moore, dated  
May 24 1896.

but have since learned that you hate the Columbia people; that they have cheated you out of money, and that you are not, as I first suspicioned, a private detective, and I will tell you this, I will make you a Grand duplicating machine for \$200 cash,—you to pay me \$50 down and the rest when the work is completed in good order” or words to that effect. I asked him about the limit of time,—if he was sure that he could make it within a week or ten days at the furthest, and he said “Yes,” that he could; that he was well prepared to make it inside of that time. He said that he had made one for Mr. Leon F. Douglass, for which he was paid \$200 in cash; that it was now running out at Mr. Leachman’s house. I asked him if he had ever had any trouble with it, if it had made good records, if it ever got out of order, and he said not in the least, that it was perfect. I asked him what style it was, and he said it was the Douglass style of duplicator. I asked him if he could not make me one of the style of the Bettini, and he said he could, but it would take longer and was more expensive work than he proposed to make. He said the one he proposed to make me was after his own style—the Douglass, as it was called. It would do just as good work, and he could make a duplicate from a duplicate. He told me he had the patterns not only of the six inch but also of the four inch and two inch, three sets of patterns, and in that way he could make me the Grand duplicator very quick. I asked him if he was not afraid of the Columbia people, because I said, I was a little afraid of them myself and would not like to have them know that I had a Grand duplicator in my possession, even in California, but he said no, he was not afraid, that he had his room on Lake street, where it was fixed up mysteriously as a blind, thinking that some time perhaps the Columbia people would break in, get a search warrant, and finding nothing there, he would have a beautiful suit of damages to go for them for. That did not need to worry me, however, for he had a first class room and a first class set of appliances, where no one came in, not even his cat, and he did not need to be disturbed at his work or be afraid that the Columbia people could ever get onto the fact of his making me a duplicating machine. I told Mr. Lambert I was perfectly willing to give him the money and let him start, but I ought to have a little idea of what it would be like and his assurance that it would be all right; that while I believed him to be as he represented to me, still it was only a little sensible precaution in order that I should not get the worst of it in the deal, or words to that effect. I asked him if he could not fix it so that I could see the Grand machine running, and he said he would try; that he would

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take me out to Mr. Leachman's, and the next day I could perhaps get Mr. Leachman to let me see it running. I told him that if he did, and the machine was as represented, I would give him the money at once and he could start at work, because I had no time to lose. Then we parted.

Affidavit of Frank  
P. Moore, filed  
May 24, 1922.

The next day, (Thursday) I met Lambert by appointment in the same place, in the bar back of the phonograph parlor. He told me that he had been up to see Mr. Leachman and Mr. Leachman told him no; that the Talking Machine Company had come and got the machine and taken it up into their shop, and that if he did have it he would not let him see it running or let any stranger see it. We must think he was a fool to do anything like that. Lambert  
45 said he told Leachman that he knew the man, and it was only a little accommodation on Leachman's part; that his customer was from California and a perfectly safe man to deal with; that he had investigated him; but Leachman merely said "Well, I have not got it now." So I asked Mr. Lambert if he thought I could see the machine in the store, and he shook his head and said he did not think so, that they were very close; that they were afraid of the Columbia people, and that their own employes could not get into that room except the two who were there employed. I asked him if it was not an easy matter for the Columbia people to send a detective in there and locate it, and he said no. He then drew me a plan of the store showing three rooms filled with talking machines, records and accessories. He showed me on the plan where the little room in the back, on the left hand corner, was partitioned off, and drew the plan of that room out and said even then, after you get into that room, there was another partition with another door before you can get into the real duplicating room. He said that Douglass knew his business; that he was having a good thing out of the Columbia people; that he had Mr. Easton "on the line," and that Mr. Easton would give him anything he wanted; that he had him completely hypnotized. I asked him if he thought he could get Mr. Douglass to buy a Bettini duplicator. He said he did not know. I asked him if he would like to come out to my house and see it, and he said he certainly would. I made an appointment with him to take him out to my house the next day. The next day, which was Friday, I took both Mr. Lambert and Mr. Reimers out to my house and showed them the Bettini  
46 duplicator working. Lambert told me that it was a very nice machine, and seemed very much pleased with it. He told me that Mr. Douglass, if he would once see it, would buy it as quick as lightning; that Mr. Douglass was a very smart man and that he knew a good thing when he saw it. I said if he could get Mr.



Affidavit of Frank  
P. Moore, filed  
May 24, 1899.

Douglass out here to look at the machine and that if Mr. Douglass would buy it, I would give Lambert half the net profits on the duplicator. He told me he would have Mr. Douglass out there the next afternoon sure. He was also sure that Douglass, the moment he saw it make a record, would buy it, it was such a quick action duplicator. I told Mr. Lambert that I had got the address of a man who would make me twenty-five small Douglass duplicators for \$18 apiece. He figured it over a little and said that it would be a cheap machine at that price; that he would make me twenty-five Douglass duplicating machines, all finished up, in perfect first class condition, but it would take a little more money to do it. I asked him how much more. He said he could not give me the exact figures then, but he would let me know in a day or two. I told him I had already written a letter to a brother-in-law of mine in San Francisco, and would send a night message the day I thought my brother would receive the letter. That seemed satisfactory to him. He seemed anxious to know what made me so bitter against the Columbia people, which question I did not answer.

I asked him if he could fix a machine for me; I said I had a sale for an Edison duplicator, but it needed a bolt in it; that if he would fix it up for me I would pay him for his trouble, and then I made an appointment to meet me the next day, which was Saturday.

The next day I met him in the same place and took him out to my house and showed him the Edison duplicator and told him I had a sale for it; that I wanted to send it by express that night, and asked him if he would try to get it done by 7 o'clock, and he said "Sure, I will be there at a quarter of seven with the duplicator." I asked him if he had seen Mr. Douglass in regard to the appointment, and he said that he had been up there three times and could not catch him in, but that he would go up again and try and bring him up. I kept out some parts of the duplicator and gave him the rest of it in pieces; I also gave him a mandrel to be cut. He said he had a lathe and tools to do it with. He took the mandrel and the duplicator parts away with him. I was at my house at the appointed time, a quarter of seven, but he did not come.

The next day, Sunday, he came. He brought the duplicating machine back with him and said he could not get it in order; that he had worked over it a long time and he could not get it so it would run. I asked him how much it would be and he figured it up and said the mandrel was seventy-five cents and that altogether the work was \$2—the work, together with his car fare, &c., came to about \$3.50, counting everything. That was what it cost him to get the work done. I only gave him \$2. He said he was sorry

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to disappoint me. If there was any other work to do he would be glad to do it, and he would do it as near right as he could.

48 On Tuesday, May 9th, I had a talk with Mr. Rupp, and I asked him if he knew anybody that wanted to get a first class duplicating machine at a very low price. I said "I have several different kinds of duplicating machines, but I have one kind of which I have two of the same, and would like to sell one of that type." He says, "Well, I bought one, a cheap one, and had it a while and could not make a good record on it, and finally gave it back." I told him I had a very very fine one and would like to have him come out and see it, it would not do any harm. He said he would as soon as he could get a little time. I told him if he did not want it himself, if he knew of anybody that would like to buy it I would trade; if he knew anybody who had a cheap duplicating machine that would like to get a first class one and would take it in as a part of the trade, I would take it, if they would give me some money, and trade with them. He said he would come out and see it. In the meantime, he said "Where do you get your master records?" I told him at Norcross's Phonograph Company, in New York. He laughed, and said, "I have just got in a few here this morning, I will show them to you." He took one out of a box in which there several. One was labelled "Norcross Phonograph Company, New York City, 37th & Broadway," and the title of which was "Whose dat said Chicken in this crowd." I listened to it, and then I said "That is a very very fine master." He said it was a comic negro song, and very popular. I said "If you let me take that I will make you half a dozen on my machine, and won't charge you anything for it except the 49 blanks. He said he would, and he then said that he had his duplicating done here in the City any way. I said "Who does your duplicating for you?" and he said "that is a little private business, and it would not be exactly right to tell who it was." I asked him what for, if it was against the law, and he said he wouldn't like to have it known. I said to him "If I bring you down a couple will you send them in with this and get a few made for me; that I would like to compare them with the duplicate records taken from my machine." He said he would be very glad to do that, so long as I did not know the place. I then got him to come out to my house and showed him my duplicator. He said it was a very fine machine, but that, as he could get his master records duplicated on a genuine Edison blank and the firm would furnish the blank, the cotton and the card board box for twenty cents, it would be very foolish for him to invest in a duplicating machine. I quite agreed with him. I had before this selected three of my

Affidavit of Frank  
P. Moore, filed  
May 24, 1899.



Affidavit of Frank  
P. Moore, filed  
May 24, 1899.

master records, the "Lullaby Serenade," by Dacon, "My Old New Hampshire Home" by Joe Natus, and "Columbia Polka" a cornet solo by William Parris Chambers. These three masters I had previously marked by sticking cotton inside of the mandrel with liquid glue. On the way down we got quite confidential together, and he says "I will tell you, Mr. Lester, who it is; it is Mr. Leon F. Douglass, the Talking Machine Company, at No. 107 Madison street." I said I had heard of them, but I was not personally acquainted with them. He said "I will take you up there and he will duplicate them for us." We went over to his phonograph parlor on

Clark street, and he selected a couple of masters from his 50 own stock, which he wanted duplicated for himself, and we start for Mr. Douglass' place. We went up stairs to the room where they sold the records. He said to the young man behind the table, "can you duplicate these? I want to get two of each," and the young man said "You will have to wait until to-morrow morning; you couldn't get them back before to-morrow morning," and he said that Mr. Babson had to take them to his house to duplicate them. I said that would be all right. We started to go and I asked Mr. Rupp if they had a nickel-in-the-slot machine of the Concert Grand style; that I was thinking of getting some such thing as that for my bar room at Oakland, and he said yes, that they had one in a back room. He said, "would you like to see it?" and I said "Yes," and he called one of the salesmen and the salesman took us in where there was a door which said "Positively no admittance." We went into that back room. He showed us a machine called a "Polyphone Concert Grand;" it had a nickel-in-the slot attachment, taken from an Edison slot machine, and it was like the Edison machine except it had the polyphone attachment on it, two horns. The price of this machine was \$240. I said I would think it over, that the price was rather high. We went back towards the stairway that led into the street, and meet Mr. Leon F. Douglass. Mr. Rupp gave me an introduction to him. I merely said that I had not hardly the time just then to talk, as I had been away from my engagements and was a little late, and then Mr. Rupp and I went down stairs. I told Mr. Rupp that I would come down the next day and let him know about the Grand.

51 The next day we went down to the Talking Machine Company's place and were told that the records were not ready yet, and would not be ready before the following day, as Mr. Babson had been very busy and had not had time to attend to it.

The next day, which was Thursday, I went with Mr. Rupp to the Talking Machine Company's place and found that the duplicate

records were then over to 12 to attend made an records, presence records, records w the vocal "My Old called "Deacon si price of t to jobber knowledge Hampshire brought th referred to, by Mr. R by the 52 Lester lic": 4, Marie I ter's Orig duplicates Talking M delivered t lows:— Record, N Exhibit D Price, Not Lester's O When th referred to I looked at I told him made on m certainly, t the blank. first, they b blank, have put in cotton much better



records were ready. The originals and duplicates made therefrom were then delivered to Mr. Rupp in a package, and we went back over to Rupp's parlor, where the package was left and I went out to attend to some other business. Before I left him I made an engagement with him to come to my house and bring the records. He did so, and at my house I opened the package in the presence of Mr. Rupp. The package he brought contained eight records, three master records and five duplicates. The three master records were the same three that I had previously marked, namely, the vocal solo called "The Lullaby Serenade," by Arthur Deacon; "My Old New Hampshire Home," by Joe Natus, and the solo called "Columbia Polka" by William Parris Chambers. Mr. Deacon sings for no concern except Mr. Norcross', and the regular price of the Lullaby Serenade is one dollar and in large lots to jobbers the least price at which he has ever sold them, to my knowledge, has been fifty cents. The original of "My Old New Hampshire Home" I bought from Mr. Norcross in New York, and brought them with me for this purpose. These master records referred to, which I had given Mr. Rupp and which were returned by Mr. Rupp to me, as stated, have been marked for identification by the Notary Public as follows:— "Complainant's Exhibit 52 Lester's Original Record No. 3, Marie L. Price, Notary Public"; "Complainant's Exhibit Lester's Original Record No. 4, Marie L. Price, Notary Public"; "Complainant's Exhibit Lester's Original Record No. 5, Marie L. Price, Notary Public." The duplicates for these records which were delivered at the office of the Talking Machine Company to Mr. Rupp, and by him brought and delivered to me, have been marked by the Notary Public as follows:— "Complainant's Exhibit Duplicate of Lester's Original Record, No. 3, Marie L. Price, Notary Public"; "Complainant's Exhibit Duplicate of Lester's Original Record No. 4, Marie L. Price, Notary Public", and "Complainant's Exhibit Duplicate of Lester's Original Record No. 5, Marie L. Price, Notary Public."

When the package containing said originals and duplicates last referred to was opened at my house, in the presence of Mr. Rupp, I looked at them and said they were very fine duplicates except one. I told him they were perhaps fully the equal of those that were made on my high priced Bettini. He said he thought they were certainly, though the price was only twenty cents each, including the blank. He said "See the work they have got to put on them; first, they have got to find a blank; then they have got to shape the blank, have it run through the duplicating machine, have got to put in cotton the card board, box," &c., and he represented how much better it was for him to buy them from Mr. Douglass than

Affidavit of Frank  
P. Moore, filed  
May 24, 1922.



Affidavit of Frank  
P. Moore, filed  
May 24, 1898.

to have a machine of his own, and I fully agreed with him. I said "Mr. Rupp, they are very nice,—I have got a couple here I would like to get duplicated," and I thought I would give him  
53 a hard one, and if his duplicating machine would duplicate these records, then I would say that he had as good a duplicating machine as I had ever seen. He left after talking awhile, and late that afternoon I took down to his place one "American Patrol," a master record, and two of "The Burning of William Smith," sometimes called the "Lynching Bee," both of them master records, both being made at different times, in my presence, in New York City, at Norcross's Phonograph Rooms, 37th Street & Broadway. On the excuse of going to the Talking Machine Company's place again to look at that Concert Grand phonograph, when I went down to Mr. Rupp's place I told Mr. Rupp I would like to take one more look at that machine. Mr. Rupp and I went over and he gave them to the young man to be duplicated, asking for two of each. Then we went into the back room again to see the machine, and came out. The next day, which was Friday, in the morning, I had a man by the name of Cartier with me at my house, also a young man by the name of Archie Gibson. I took two master records out of my record case; one of them was called "Cotton Blossoms," by the Metropolitan Band, made at Norcross' factory, in New York, and the other one a vocal solo called "Mr. Johnson Turn me Loose," by Mr. Browning, of The Brownies, and marked those two master records, first, by sticking some cotton on the inside of the records with liquid glue; calling the attention of Mr. Cartier and Archie Gibson to this fact, and to make it doubly sure I cut a notch inside each one of the masters with my knife. I sent down Mr. Cartier with a note to Mr. Rupp asking him to take my brother-in-law, who was interested in this business, over to see that Grand Concert phono-  
54 graph, and at the same time to make two duplicates each from the master records that I sent by him. Cartier came back, and I asked him what he had done, and he said that Mr. Rupp took him over to the Talking Machine Company and passed in the master records and asked for two duplicates each; that Rupp took him in to see the machine in the back room, the Concert Grand, and that he, Mr. Cartier, said he would have to see his brother-in-law once more before buying. The next morning Mr. Cartier came to my house and I sent him down with a note to Mr. Rupp saying I did not fully understand the difference in the prices, and that if he would go over to the Talking Machine Company and see what the prices were, then I would let him know in no time about it. He went away with the note, and when he came back I was away.

When I got Rupp was I Gibson. Y cess he had he and Mr. that he wa Company, the Concert if he would and Mr. Ba "Yes." 7 Rupp asked Cartier told cate recor to M 55 Babson waiting out to see m thought Mr. were a great the day befo Cartier that that I had or for. He sa "Take it do wanted to kn him no, not On Monda Poole & Brov away from th my presence Cartier, Mr. found in the and "Mr. Jo "Complainan "Complainan bundle also c original recor "Complainan 1," and "Co Record No. 2. one "Americ together with master record



Affidavit of Frank  
P. Moore, filed  
May 24, 1879.

When I got back to the house a bundle of records brought by Mr. Rupp was there and Mr. Cartier was waiting, as was also Archie Gibson. We went into my room; I asked Mr. Cartier what success he had. He said he took the note down to Mr. Rupp and that he and Mr. Rupp went there to the Talking Machine Company; that he was introduced to Mr. Babson of the Talking Machine Company, and Mr. Babson and Mr. Rupp looked over the machine, the Concert Grand. He also said that Mr. Rupp asked Mr. Babson if he would like to go to my house and see the duplicating machine, and Mr. Babson said "Is Mr. Lester out there now?" and he said "Yes." Then Mr. Rupp asked for the duplicate records and Mr. Rupp asked him how much they were. The answer was \$2, and Mr. Cartier told me he saw the \$2 paid over and the bundle of duplicate records, together with the master records given

to Mr. Rupp. Mr. Cartier also said that Mr. Babson and Mr. Rupp had been out there, but had got tired of waiting for me and had just gone; that Mr. Babson had come out to see my duplicating machine. Mr. Cartier also stated that he thought Mr. Rupp had some of his records in the bundle, as there were a great many more in that bundle than he had ordered himself the day before. I did not open the bundle, however, but told Mr. Cartier that the extra records in the bundle were probably some that I had ordered Thursday afternoon myself, but had not called for. He says "What shall I do with this bundle," and I said "Take it down to Mr. Lyle," and he took it away. Mr. Cartier wanted to know if I wanted him any more that night, and I told him no, not until Monday morning, to report Monday morning.

On Monday, May 15th, I called by appointment at the office of Poole & Brown, where I again saw the bundle that had been taken away from the place by Mr. Cartier. The bundle was opened in my presence and in the presence of Archie Gibson, Mr. Lyle, Mr. Cartier, Mr. Poole, and the Notary Public, Marie L. Price. I found in the bundle the two original records of "Cotton Blossoms," and "Mr. Johnson Turn me Loose," which have been marked "Complainant's Exhibit Lester's Original Record No. 1" and "Complainant's Exhibit Lester's Original Record No. 2." The bundle also contained four duplicates, which were duplicates of the original records above referred to, and which have been marked "Complainant's Exhibit Duplicate of Lester's Original Record No. 1," and "Complainant's Exhibit Duplicate of Lester's Original Record No. 2." Said bundle also contained three original records, one "American Patrol," and two of "The Lynching Bee," together with six duplicates, or two duplicates each from the three master records referred to. These original and duplicate rec-



Affidavit of Frank  
P. Moore, filed  
May 24, 1899.

ords have been marked by the Notary Public for identification as follows:—"Complainant's Exhibit Lester's Original Record No. 6, Marie L. Price, Notary Public;" "Complainant's Exhibit Lester's Original Record No. 7, Marie L. Price, Notary Public;" "Complainant's Exhibit Lester's Original Record No. 8, Marie L. Price, Notary Public," and "Complainant's Exhibit Duplicate Lester's Original Record No. 6, Marie L. Price, Notary Public;" "Complainant's Exhibit Duplicate Lester's Original Record No. 7, Marie L. Price, Notary Public," and "Complainant's Exhibit Lester's Original Record No. 8, Marie L. Price, Notary Public."

I was in conversation with Mr. Rupp on Saturday morning, May 13th, and knowing that he had bought original records from Mr. Norcross in New York, I asked him if Mr. Douglass dealt in them. He said "Yes, but they were the duplicates and not the originals"; that Mr. Douglass would buy the original records and duplicate them, and after a certain number were duplicated he would put the original in with the rest and sell them at fifty cents apiece or five dollars a dozen. Of course that set me to thinking, and in the afternoon, at three o'clock, I went over to No. 107 Madison Street, to the rooms of the Talking Machine Company, and I saw a young man behind the counter there. I asked him if he had "Charlatan March," by the Metropolitan Band, and he said "to be sure," and he went and took it down from the shelf. I asked him to let me hear it, and I listened to it through. He asked me would I take it, and I said "Yes," and I asked him how much it was, and he said fifty cents. He wanted to know if I wanted anything else, and I said "Not to-day," and I put it in my pocket and went out. Then I met Mr. Lyle by appointment and told him I thought he had better get another Metropolitan Band record, which he did. Then Monday morning he brought over here to the lawyers one called "The American Patrol," by the Metropolitan Band. I looked at it and listened to it, and knew that by looking and listening to it that it was a duplicate record. The original master records of these two pieces last referred to are made by Isaac Norcross, proprietor of the Norcross Phonograph Company, 37 Street & Broadway, New York, the list price of which is one dollar apiece. He has never, to my knowledge, sold them at less than fifty cents apiece in quantities of from 100 to 1000. I am personally acquainted with Mr. Isaac Norcross. He is a very dear friend of mine, and I have had a great many business transactions with him. I know for a fact that he sends out no duplicates; that he is an honest man; that you could not buy a duplicate record from him at any price. Also, there are only three firms in the world that he

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cells records to at so large a discount as fifty per cent from the regular price of one dollar each. I have listened to the said records of Charlatan March and American Patrol, and they reproduce announcements made by Mr. Isaac Norcross, in New York City. I fully recognized the voice, as reproduced by both of these duplicates. I know the originals of these records were made in his laboratory in New York City.

Affidavit of Frank P. Moore, filed May 24, 1899.

The record of "Charlatan March" which I have referred to and which was obtained by me from the Talking Machine Company as stated, is marked for identification by the Notary Public "Complainant's Exhibit Duplicate Norcross Charlatan March, Marie L. Price, Notary Public," and the record of the "American Patrol," which I have referred to, is also marked by the Notary Public for identification "Complainant's Exhibit Duplicate Norcross American Patrol, Marie L. Price, Notary Public."

And further affiant saith not.

FRANK PAUL MOORE.

Sworn to and subscribed before me this 17th day of May, 1899.  
MARIE L. PRICE,  
Notary Public.

(Endorsed) Filed May 24, 1899.

S. W. BURNHAM,  
Clerk.

59 And on the same day, to-wit, the 24th day of May, 1899, there was issued out of said Court a Chancery Subpoena, which, together with the Marshal's Return endorsed thereon, is in the words and figures following, to wit:—

60 CHANCERY SUBPOENA.

United States of America,  
Northern District of Illinois,  
Northern Division. } ss.

The United States of America, To Talking Machine Company, Polyphone Company, Leon F. Douglass individually and as Vice-President of said Polyphone Company and Henry B. Babson, individually and as President of said Talking Machine Company, greeting;

Subpoena, issued May 24, 1899.

We command you and every of you, That you appear before our Judges of our Circuit Court of the United States of America for the Northern District of Illinois, in the Northern Division of



Subpoena, issued  
May 24, 1899.

said District, on the first Monday in the month of July next, to answer the bill of complaint of American Graphophone Company this day filed in the clerk's office of said court, in said city of Chicago, then and there to receive and abide by such judgment and decree as shall then or thereafter be made, upon pain of judgment being pronounced against you by default.

To the Marshal of the Northern District of Illinois to execute.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States of America, at Chicago aforesaid, this 24th day of May, in the year of our Lord one thousand eight hundred and ninety-nine and of our Independence the 123rd year.

[Seal.]

S. W. BURNHAM,  
Clerk.

#### MEMORANDUM.

The above-named defendants are notified that unless they and each of them shall enter their appearance in the clerk's office of said Court, at Chicago aforesaid, on or before the day to which the above writ is returnable, the complainant's bill will be taken against them as confessed, and a decree entered accordingly.

S. W. BURNHAM,  
Clerk.

Marshal's return,  
filed June 2  
1899.

61 I have served this writ within my District in the following manner to-wit:—

Upon Polyphone Company by delivering a true copy thereof to Leon F. Douglass, Vice-President of the said Company on the 24th day of May, A. D. 1899. The president of the said Company was not found within my District. Also upon Leon F. Douglass individually and as Vice-President of the said Company by delivering a true copy thereof to him personally on the 24th day of May, A. D. 1899.

Upon the within named Talking Machine Company by delivering a true copy thereof to Henry B. Babson, personally, president of the said Company, on the 25th day of May, A. D. 1899. Also upon Henry B. Babson individually and as President of said Talking Machine Company, by delivering a true copy thereof to him personally on the 25th day of May, A. D. 1899.

JOHN C. AMES,  
U. S. Marshal.

By E. H. PEDERSEN,  
Deputy

(Endorsed) Filed June 2, 1899.

S. W. BURNHAM,  
Clerk.

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62 And, on the same day, to-wit, the 24th day of May, 1899, in the record of proceedings of said Court in said entitled cause before the Hon. Christian C. Kohlsaat, District Judge, appears the following, entry, to-wit:—

IN THE CIRCUIT COURT OF THE UNITED STATES,

For the Northern District of Illinois,

Northern Division.

Wednesday, May 24, 1899.

Present:—

Hon. Christian C. Kohlsaat,  
District Judge.

American Graphophone Company,  
Complainant,

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass, and  
Henry B. Babson,

Defendants.

In Chancery,  
No. 25186.

Order.

And now comes the Complainant, by Poole & Brown, its Solicitors, and having filed its motion for an injunction pendente lite, and affidavits in support thereof, it is:

Ordered:

That said motion be placed upon the contested motion Calendar and set for hearing at ten o'clock A. M., Thursday, June 8, 1899; and upon motion of Complainant's Solicitors in open Court for a restraining order until said injunction motion is heard and for a rule on the defendants to deliver to the custody of the Court, to abide the result of the cause, all apparatus or parts thereof for making duplicate sound records and all duplicate sound records in the possession of or under the control of the defendants, or either of them; and the Court being advised in the premises, it is further

Ordered:

1. That the defendants, the Talking Machine Company, Polyphone Company, Leon F. Douglass, and Henry B. Babson, their and each of their associates, attorneys, servants, clerks, agents and workmen, be and they are, hereby enjoined and restrained from

Order entered May  
24, 1899.



Order, entered  
May 24, 1899.

directly or indirectly making or causing to be made, using or causing to be used, selling or causing to be sold, any apparatus or sound record embodying or constructed or operated in accordance with the invention or improvement set forth in complainant's Letters Patent issued to C. A. Bell and Sumner Tainter, on the 14th day of May, 1886, No. 241,214, or from anywise manufacturing or imitating said invention or any sound record made or operated in accordance therewith, or similar to those which the said defendants have heretofore made, used and sold, or from selling, transferring, leasing or encumbering in whole or in part the title to any and all apparatus for making duplicate or sound records, and said duplicate sound records now owned in whole or in part by said defendants or in their or either of their possession or control, or from in any manner concealing or disposing of the same until the further order of this court.

II. That the defendants shall, and they are hereby ordered and directed to deliver to the custody of the United States Marshal, and said Marshal is hereby directed to take possession of all apparatus and parts thereof for making duplicate sound records and all duplicate sound records embodying or constructed or operated in accordance with the invention or improvements set forth in said Letters Patent found in their possession or in the custody or control of said defendants, or either of them; and said defendants are hereby restrained and enjoined from in anywise interfering with the judicial custody of said machines and such records until the further order of this Court.

III. It is further ordered that a copy of complainant's moving papers, and of this order, be served forthwith upon the several defendants, and that copies of answering affidavits in opposition to said motion for injunction be used on behalf of the defendants at the hearing thereof be filed with the Clerk of the Court and copies thereof served upon complainant's solicitors before four o'clock in the afternoon of Wednesday, May 31, 1899.

Enter May 24th, 1899.

KOHLSAAT,  
U. S. District Judge.

65 Afterwards, to-wit, on the 27th day of May, 1899, there was filed in the office of the Clerk of said Court, the affidavits of Frank Paul Moore, Courtland Shaw and Charles W. Hills, which affidavits are in the following words and figures, to-wit:

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66 IN THE UNITED STATES CIRCUIT COURT,

Northern District of Illinois,

Northern Division.

American Graphophone Company

vs.

Talking Machine Company,

Leon F. Douglass, et al.

In Chancery,  
No. 25,186.

State of Illinois, }  
County of Cook. } ss.

Frank Paul Moore, being duly sworn, on oath states as follows :

I am the same person who has made another affidavit for use in this same suit, said affidavit having been executed May 17th, 1899.

On Saturday morning, May 20th, I met on the street Mr. T. B. Lambert, the same person referred to in said affidavit of May 17, 1899, as "Mr. Lambert." Mr. Lambert said, "Lester, I have been looking for you everywhere." I asked him what was the matter, and he said, "I think Mr. Douglass will buy that duplicator from you and buy those Home phonographs also, I think he will buy those." I said to him, "Well, is Mr. Douglass coming out to the house?" and he said, "Oh, no; you had better

come up into his office and talk with him awhile; he

67 wants to see you in there." He also said "I had a talk with him yesterday afternoon and he seems to feel as though he would like to see you about the sale." I first told him that I didn't want to go up into Mr. Douglass' office, because I thought it would be better for him, (Mr. Douglass), to come out to my residence and then he would see the machines in operation and know what he was buying. He said "Well, you can come up and see him any way and have a talk with him and then perhaps after that he will come to your house. So we went to see Mr. Leon F. Douglass at the rooms of the Talking Machine Company and Polyphone Company, No. 107 Madison Street, in this City at about a quarter past ten on Saturday morning. When we arrived there Mr. Lambert introduced me to Mr. Douglass. Mr. Douglass said "I understand you have got a duplicator to sell, one of the Bettini's," and I said "Yes." I asked him if he had ever seen one and he said "I have seen all kinds of duplicating machines and I have also seen a Bettini duplicating machine, but it was so long ago and it was crude; I didn't think much of it at that time. I have heard that he has made now a very very

Affidavit of Frank  
P. Moore, filed  
May 27, 1899.



Affidavit of Frank  
P. Moore, filed  
May 27, 1899.

fine machine for duplicating records, and I would like to see it." I said "All right; you can hear it at any time if you want to." He said "Have you got some Home phonographs to sell?" I said "Yes." He said "How much do you want for them?" I gave him a price,—\$15, which of course I didn't intend to take. He said "Have you got some Standard phonographs?" I said "Yes," and he said "And some spring motors?" I said "Yes." He said "How much do you want for them?" I told him if he would allow me fifty per cent

I would give them to him and pay all the freightage myself. He said "All right; I will take them; take all you have got at that price." I told him I could not get them down to the office much before Monday, because it was Saturday; it was a short day. He said that would be all right; any time that you will bring them I will pay the money for them. That ended that transaction.

Mr. Douglas then said, "About this Bettini duplicating machine of yours, I didn't know they were selling them." I said, "that cuts no ice; I have a couple, I have got two, one is a brand new one and the enamel is not yet scratched; the other one is a little second handed, but it does good work. I will sell you either one if you want it; I will not sell both because I have got to keep one for myself; I am going to take one back to California with me." Then he said, "Mr. Lester, I will come out there at two o'clock to-day; will you be there?" I said, "Yes, I will." He said, "Can I see the machine running?" I said, "Yes, I have got it all ready to run; it is running all right." So he shook hands and I departed, Mr. Lambert with me. When we got outside Mr. Lambert said, "Did he buy the phonographs?" I said "Yes" and Lambert laughed and says, "Well, he will buy the duplicators too, you will see." I said, "I hope so." Then Mr. Lambert said he had to go out to see a man he had an appointment with, but that he would come out to my house with Mr. Douglass at two o'clock that same afternoon. I said "All right; bring Mr. Douglass along and if I make anything I will give you half of the net profits." After this I arranged to have Mr. Courtland Shaw with me at my home

when Mr. Douglas called, and to have Mr. Shaw so located that he could overhear any conversation between Mr.

Douglass and myself without his presence being known to Mr. Douglass. Mr. Shaw went to my house with me. There was a room across the hall from mine and I thought by leaving the transoms open Mr. Shaw could hear everything while in that room. I got permission of the landlady to put Mr. Shaw in that room. He got a chair, placed it inside of the door, and put a box on top of it

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to stand on. Mr. Shaw got up on top of the box and I went into my room and spoke some words in an ordinary tone of voice. When Mr. Shaw came back into my room he said he could hear everything plainly. Of course both doors were shut, but the transoms were wide open. I said we had better go and get a little lunch. We had no sooner got back into the house than the door bell rang. Mr. Shaw got into the room across the hall and I let Mr. Lambert in. He was alone. I said to him, "Is Mr. Douglass with you?" and he said, "No, he isn't here." Lambert said, "Perhaps he is a little late." About a minute afterwards there was another ring at the door, and a young man came in by the name of Mr. Divan, he said he had been sent up there by Mr. Douglass; that Mr. Douglass was very, very busy at that time in his office and could not possibly get away, and so he himself was sent up. Mr. Lambert said, "Yes, it will be just the same thing." He then introduced me, saying, "This is Mr. Lester, Mr. Divan," and he then said to me, "This is the gentleman that does all Mr. Douglass' duplicating of records and handles his duplicating machines." I said to Mr. Divan, "It will be all right, I suppose; whatever you say goes." Then he said, "Yes, as far as the duplicating machine and the 70 work is concerned. Of course, about the price of it, you and Mr. Douglass will have to come to an arrangement about that." I asked Mr. Divan if he had ever seen a duplicating machine like the Bettini before, and he said "No, not just like it; we have some, but the kind we have is entirely different." I asked him if it had parallel mandrels, and he said "Yes, that he had done mighty good work on it too; that the machine was capable of doing mighty good work, the machine that he run." Then I said "I will start this Bettini machine up and I will duplicate a record and hear what you think of it." Mr. Lambert then said "He will think it is all right; he knows a good machine when he sees it." I then put a master record on top of the mandrel and I put a blank on the bottom mandrel and got them together and made a record in the presence of Mr. Lambert and Mr. Divan. When I took it off I put it onto the phonograph so that we could hear what sort of a record it was. It made a pretty fair record, and I said to Mr. Divan "What do you think of that; that is a duplicate from a duplicate; the record that I put on the top mandrel and you supposed to be a master record was merely a Columbia duplicate and not a master, and the one that you have heard just now, being made from that duplicate, is of course, as you very well know, a duplicate from a duplicate, which goes to show you that it is a mighty good duplicator to be able to make a good duplicate from

Affidavit of Frank  
P. Moore, filed  
May 27, 1929.



Affidavit of Frank  
P. Moore, filed  
May 27, 1899.

a duplicate." He fully agreed with me and said "Yes, that was a good test, but he thought that if he had done it in his place, (meaning of course Mr. Douglass'), he supposed he could make a still better record of it; that he liked the looks of the Bettini duplicating machine; that he would report to Mr. Douglass and of course, as he said before, that while he could not set the price he could and would tell Mr. Douglass what he thought of it. I thanked him and he went away. In a few minutes Mr. Lambert said, "I will have to be going too; are you going down town, Mr. Lester?" I said "Yes," and we started off, and as soon as I got Mr. Lambert out of the door, I said, "Mr. Lambert, I have forgotten something; just wait a moment if you please." I rushed back and told Mr. Shaw he could come down off of his perch now. I said, "You stay here about five or six minutes and give Lambert and I a chance to get onto a car," and then I left with Mr. Lambert.

And further affiant saith not.

FRANK PAUL MOORE.

Subscribed and sworn to before me this 26th day of May, A. D. 1899.

MARIE L. PRICE,  
Notary Public.

(Seal)

(Endorsed) Filed May 27, 1899.

S. W. BURNHAM,  
Clerk.

72 IN THE UNITED STATES CIRCUIT COURT,

Northern District of Illinois,

Northern Division.

American Graphophone Company,

vs.

The Talking Machine Company,  
Leon F. Douglass, et al.

In Chancery,  
No. 25,186.

State of Illinois, } ss.  
County of Cook.

Affidavit of Court-  
land Shaw, filed  
May 27, 1899.

Courtland Shaw, being duly sworn, states as follows:  
On Saturday, May 20th, I was requested by Mr. Frank P. Moore, whom I understood to be making certain investigations con-

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Affidavit of Court-  
land Shaw, filed  
May 27, 1894.

cerning the use of duplicating machines and the making of duplicates for the American Graphophone Company, to go with him to his house. It was understood that Mr. Moore was known as F. Morton Lester to the parties against whom his investigations were directed. When we reached the house where Mr. Moore resided he showed me into a room across the hall from the one occupied by him, and I arranged a chair with a box on top of it on which I could stand inside of the door and thereby be in position to hear a conversation going on in Mr. Moore's room, the transoms of both rooms being open. The hall was a very narrow one—only about three feet wide. After we had made these arrangements Mr. Moore and I went out and got some lunch and soon after returning to the house the door bell rang 73 and a man came in to see Mr. Moore. Mr. Moore asked this party "Is Mr. Douglass with you?" and the reply was "No, he isn't here; perhaps he is a little late." Shortly afterwards there was another ring at the door bell and another man came in who stated to Mr. Moore that he had been sent up there by Mr. Douglass, as Mr. Douglass was very busy. The man who first came in introduced the second man to Mr. Lester as Mr. Divan, who had charge of all Mr. Douglass' duplicating and handles the duplicating machines. Then Mr. Moore replied "That will be all right then, whatever you say goes." The man introduced as Mr. Divan then said "Yes, so far as the duplicating machine and the work is concerned. Of course about the price of it, you and Mr. Douglass would have to come to an arrangement about that" or words to that effect. Mr. Moore then asked Mr. Divan if he had ever seen a duplicating machine like the Bettini before, and the reply was "No, not just like it. We have some, but the kind we have is entirely different" or words to that effect. Mr. Divan also said that he had done very good work on the machine he had; that such machine was capable of doing very good work. Mr. Moore then said that he would start up the Bettini duplicator and make a duplicate record, and that he would like to have Mr. Divan's opinion of it, or words to that effect. The man who first came in, whom I understand to be Mr. Lambert then said "Mr. Divan will think it is all right; he knows a good machine when he sees it." I then heard the sound of a phonograph, and I understood from the conversation that Mr. Moore 74 was testing a record that he had made by the use of a duplicator. Mr. Moore then stated to Mr. Divan that the record he had used in making the duplicate was a duplicate and not an original or master, so that the one he had heard was a duplicate from a duplicate, and, Mr. Moore added, "It is a mighty good

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Affidavit of Court-  
land B. Shaw,  
filed May 27 1899.

duplicator, to be able to make a good duplicate from a duplicate." Mr. Divan said, "Yes, that was a good test," and he also said that if it had been done in his place he thought a still better record could have been made. Mr. Divan also added that he liked the looks of the Bettini duplicating machine; that he would make his report to Mr. Douglass and that as to price he could not tell what price Mr. Douglass would place upon it, although he thought favorably of the machine. Both the parties then soon left the house. Mr. Moore went out with Mr. Lambert and shortly returned stating that he and Lambert were about to go away, and shortly after they left I myself left the house.

And further affiant saith not.

COURTLAND B. SHAW.

Subscribed and sworn to before me this 25th day of May, 1899.

MARIE L. PRICE,  
Notary Public.

(Seal.)

(Endorsed) Filed May 27, 1899.

S. W. BURNHAM,  
Clerk.

75 IN THE CIRCUIT COURT OF THE UNITED STATES

Northern District of Illinois

Northern Division.

American Graphophone Company,	} In Chancery,
vs.	
The Talking Machine Company, Leon F. Douglass, et al.	

No. 25,166.

State of Illinois } ss.  
County of Cook.

Affidavit of Chas.  
W. Hills, filed  
May 27, 1899.

Charles W. Hills, of lawful age, being first duly sworn, deposes and says:—

That he is an Attorney at Law, and at the request of Poole and Brown, Complainants Solicitors, he accompanied Deputy United States Marshal Peterson when he, the said Peterson, was serving writs on the Talking Machine Company, the Polyphone Company, Leon F. Douglass and Henry B. Babson, defendants in the above entitled cause, at their place of business No. 107 Madison Street,

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Chicago; that the said Leon F. Douglass was served with the writ of subpoena individually and also as an officer of the Polyphone Company, and a copy of the order of the court in the above entitled cause of May 24th, 1899, which order, inter alia directed the said Leon F. Douglas and the other defendants to deliver to the custody of the United States Marshal all duplicating apparatus and sound records made by duplicating machines; and that said Leon F.

Affidavit of Chas.  
W. Hills, filed  
May 27, 1899.

Douglass said to affiant and to said Deputy Marshal Petersen 76 that he, Douglass, did not know that he had anything that would come under the description given in the order.

Affiant then said to said Leon F. Douglass, "I have no authority " in this case, but I would say to you that if you have any machines " or duplicates you should obey the order of the court; there is evi- " dence to show that you have them, and, in my opinion, the court " will deal severely with you if you disobey this order," and said Douglass thereupon said "Well, let me communicate with my at- torneys," to which the deputy marshal replied "Very well." Said Douglass then went to the telephone and remained there some time. Upon his return he said to the deputy marshal, "I have " certain machines. I wish you would arrange to leave them here " until tomorrow, however." The marshal replied to the effect that he had no authority other than to execute the order of the Court and that he must have the machines or report the refusal of defendants to deliver them to him. Defendant Douglass then said, "Well, I will show you where they are; but cannot I lock the " door and give you the key and let you take them out in the " morning?" The deputy marshal replied, "No, I have no other " recourse but to obey the order of the Court. I am under the " same compulsion as yourself," or words to that effect. "Well," Mr. Douglass said, "I will show you where they are," and he led the way to the back part of the store room, which is directly in the rear of the office of the said defendants, on the 3rd floor of No. 107 Madison street.

In going to the store room we had to cross an iron chain, which was stretched across the passage way and permanently secured in the walls to prevent people going back and forth to or from the 77 store room, in the northwest corner of which there is a parti- tion set obliquely across the corner. The partition was made of pine lumber matched and driven together, and had a door also made of matched lumber, set about the middle of it, which was provided with a substantial lock. On the outer side of the door was painted the words "Positively no Admittance," and beneath the same a rude design of cross bones and a skull. Opening this door with a key the defendant Douglass led affiant and said Deputy



Affidavit of Chas.  
W. Hills. filed  
May 27, 1899.

Marshall into a triangular hall of small size from which a door on the west side opened into a room in the extreme northwest corner of the building. Another door opened from the north side of the hall into a room beside the west room and in the north end of the building. This latter room affiant will herein afterwards refer to, as "Leachman's" room. Mr. Douglass opened the door of said room, that is to say, the west room, using a key for the purpose, and affiant and the Deputy Marshal found therein a bench having a line shaft above it and having duplicating machines on each side of the bench, four of which machines on the west side of the bench, were for ordinary sizes of records, while the fifth duplicating machine on the east side of the bench, was for the duplication of Grand records. Beside these five duplicating machines there were cabinets against the wall, or cupboards, which said Douglass said to affiant contained master records. There were also machines for shaving records, and also a graphophone mounted to connect with the same line shaft that ran the duplicators. Again Mr. Douglass, after showing these duplicating machines, said that they ought not to be removed; that he had a license for their use and that it would result in damage to him if the machines were removed. The Deputy Marshall stated that he could follow no other course than to remove the machines. Affiant suggested to Mr. Douglass that there would be no objection to his workmen taking the duplicating machines down, using every possible care and precaution to avoid injury thereto; that he might pack the machines to suit himself and that the Marshall would not object to any reasonable precaution that said Douglass took in that direction to prevent injury to the machines. The Deputy Marshall acceded to this, and the said five duplicating machines were removed from their beds by Mr. Douglass-workmen and packed and secured in boxes by them.

Mr. Douglass then said to the Deputy Marshall and affiant, "I cannot give you the machines in Leachman's room; there are some in there, but Mr. Leachman has the key and I cannot get in." He asked if we would break down the door for the purpose of getting in, and the Deputy Marshall told him no, he would not do so. Said Douglass was then warned that the goods were in his possession in his office, and that he must use his own discretion about obtaining them for the Deputy Marshall in compliance with the order of the court. "Well," said Mr. Douglass "I suppose I can break it in. The damage will not probably be any more than a lock," and he Douglass, then obtained a large hatchet and began attacking the door to get it open. It seemed to open with difficulty. Affiant stood beside him as said Douglass attempted to open it and said Douglass requested some assistance, which affiant at first did not give.

Mr. Douglass pushed against the door with the hatchet, opening it.

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Mr. Douglass again asked affiant for assistance and then affiant pushed against the door while said Douglass pryed against the lock with the hatchet, and said Douglass thereby finally succeeded in opening the door to said "Leachman's" room.

*Affidavit of Chas.  
W. Hills, filed  
May 27, 1899.*

Within this room, to which Douglass said Leachman had the key, the Deputy Marshal and affiant found two duplicating machines, one evidently a new one. The machines were set up ready for work, and one of them evidently had been used extensively a short time before, as a large pile of record shavings was heaped up beside it. Pointing to the new machine Mr. Douglass remarked that "if you had come a short time earlier you would not have got that one, as it has just been set up." The machines were disconnected in the same way that the others had been and were packed in boxes by Mr. Douglass' men in the presence of the Deputy Marshal and affiant. The Deputy Marshal then asked in regard to the duplicate records. Mr. Douglass replied that he had a great many of them; that they were mixed all through his stock; that it would be impossible for any one to tell with certainty which were duplicates and which were not inasmuch as they were put up in the same manner in the kind of boxes and had the same numbers, and were mixed indiscriminately upon the shelves. Mr. Douglass further said that they had not been making duplicates that day, so that he had a very few new ones. After hunting about his own room, he  
80 found about a dozen records which he brought out and delivered to the Deputy Marshal as duplicate records and again made the statement in affiant's presence that he had many others, that a large part of his stock was duplicate records, that it would be a matter of extreme difficulty for any one to tell the duplicates from the originals, and if it were possible for any one to do so it would take several weeks to go through the stock and make the selection, and there would then be more or less uncertainty about it. Said Douglass also made the positive statement to the Deputy Marshal, in affiant's hearing, that the number of duplicates delivered to the Marshal represented all the duplicators that he or his agents had. He said there might be pieces of duplicators possibly, scattered about the shop, but that he did not know where they were and that such pieces, if any, were not in condition to be used for duplicating.

The said Leon F. Douglass further stated to affiant that neither the Talking Machine Company, the Polyphone Company or Henry B. Babson had or owned any duplicating machines, that they were all owned by him, Douglass. While in Leachman's room as well as in the room in the northwest corner, in which the five duplicating machines were found, affiant observed that the windows were each screened for the lower half, or sash and that it was not possible for



Affidavit of Chas  
W. Hills, filed  
May 27, 1899.

persons from the opposite side of the alley or court to look through said windows into either of these rooms and observe what was going on therein.

Affiant further states that the next morning after serving said 81 Leon F. Douglass and Polyphone Company, as before stated, to-wit, on May 25th, 1899, he again accompanied Deputy United States Marshal Peterson, to 107 Madison St., Chicago, and there witnessed the serving upon the defendants, the Talking Machine Company and Henry B. Babson, of the writ of subpoena and of the order of Court of the 24th of May, 1899, and was present when said Deputy Marshal made a demand upon said Babson as president of the Talking Machine Company, and also as an individual defendant, for all duplicating apparatus or parts thereof and for duplicate sound records and heard the said Babson state to the said Deputy Marshal that neither said Talking Machine Company or he, the said Babson, owned or controlled any such machines, apparatus or records.

Affiant further says that at the request of Messrs. Poole & Brown, Complainant's Solicitors, he personally served upon each of the above named defendants a copy of the motion for preliminary injunction and a copy of the several affidavits filed in support thereof.

To make the location of the room in which said duplicating machines were found more clear to the court, affiant attaches hereto as part of this affidavit and marked "Exhibit A" a sketch illustrating a plan view of said rooms and the rear portion of the premises, 107 Madison Street, occupied conjointly by all of the above named defendants.

And further affiant saith not.

CHARLES W. HILLS.

Subscribed and sworn to before me this 27th day of May, A. D. 1899.

(Seal.)

MARIE L. PRICE,  
Notary Public.

(Endorsed) Filed May 27, 1899.

S. W. BURNHAM,  
Clerk.



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L. PRICE,  
Notary Public.

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Clerk.

#107 Madison St.

Exhibit A.  
apt. of C.W. HILLS.  
Marie L. Hill  
N.P.

Offices  
Talking Machine Co.  
Polyphone Co.  
Leon F. Douglas  
Henry B. Babson.

Court

U.S. Cir. Court  
N. Dist. of Ill.  
Hon. Judge Charles C. ...  
Talking Machine Co. ...  
Exhibit A. C. W. Hills ...  
Marie L. Hill ...

Elevator

Main Entrance

Screened window



REPRODUCED AT THE  
NATIONAL ARCHIVES  
GREAT LAKES REGION

RG 21, U.S. Circuit Court, Northern District of Illinois, at  
Chicago; Civil Case Files, 1871-1911; Civil Case File  
26454, American Graphophone Co. vs.  
Siegel, Cooper and Co.; Transcript of Record  
in the United States Circuit Court of Appeals for the  
Seventh Circuit, Case 618, American Graphophone  
Co. vs. Talking Machine Co. et al., p. 51. [blueprint]



107 Madison Street

Exhibit A  
Affidavit of Charles W. Hills  
Marie L. Price, Notary Public

Offices of Talking Machine Co.,  
Polyphone Co.  
Leon F. Douglass  
Henry B. Babson

Entrance

Chain  
Goods

Locked  
Door

Locked  
Door

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Door

Leachman's Room  
Containing Two Duplicating  
Machines

Douglass's Room  
Containing Five  
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83 And on, to-wit, the 29th day of May, 1899, there was filed in the office of the Clerk of said Court the Affidavit of service of copies of additional affidavits, in the following words and figures, to wit:

84 IN THE UNITED STATES CIRCUIT COURT,  
Northern District of Illinois,  
Northern Division.

American Graphophone Company, Complainant,	} In Chancery. No. 25,186.
vs.	
Talking Machine Company, et al. Defendants.	

To Mr. Leon F. Douglas, No. 107 Madison Street, Chicago, Illinois.

Sir:—We hand you herewith duplicate copies of additional affidavits on which we shall rely to support our motion for preliminary injunction on June 8th, one set being for yourself and the other set being for the Polyphone Company, said affidavits being those of Cortland Shaw, Frank Paul Moore and Charles W. Hills.  
Chicago, May 27th, 1899.

POOLE & BROWN,  
Complainant's Solicitors.

State of Illinois, }  
County of Cook. } ss.

Charles W. Hills, first being duly sworn deposes and says that he served the above named defendants Leon F. Douglass and Polyphone Company with copies of the above mentioned affidavits by delivering a copy of each to Leon F. Douglass individually, and also delivering to him a copy of each in his capacity as officer of the Polyphone Company said copies being served May 27, 1899.

*Affidavit of Chas.  
W. Hills, filed  
May 27, 1899.*

CHARLES W. HILLS.

Subscribed and sworn to before me this 29th day of May, 1899.  
(Seal)

WILLIAM L. HALL,  
Notary Public.

(Endorsed) Filed May 29, 1899.

S. W. BURNHAM,  
Clerk.



54 *Affidavit of Service of Copies of Additional Affidavits.*

85 IN THE CIRCUIT COURT OF THE UNITED STATES,

Northern District of Illinois,

Northern Division.

American Graphophone Company,  
Complainant.  
vs.  
Talking Machine Company, et al.  
Defendants.

In Chancery.  
No. 25,186.

To: Mr. Henry B. Babson, No. 107 Madison Street, Chicago,  
Illinois.

Sir:—We hand you herewith duplicate copies of additional affidavits on which we shall rely to support our motion for preliminary injunction on June 8th, one set being for yourself and the other set being for the Talking Machine Company, said affidavits being those of Courtland Shaw, Frank Paul Moore and Charles W. Hills.

Chicago, May 27th, 1899.

POOLE & BROWN,  
Complainant's Solicitors.

State of Illinois, }  
County of Cook. } ss.

Affidavit of Chas.  
W. Hills, filed  
May 27, 1899.

Charles W. Hills first being duly sworn deposes and says that he served the above named defendants, Henry B. Babson and Talking Machine Company on the 27th day of May 1899 with copies of the affidavits above described by delivering a copy of each to the said Henry B. Babson, for his individual use, and by delivering a copy each of said affidavits to the said Henry B. Babson, as an officer of the Talking Machine Company for the use of said Company.

CHARLES W. HILLS.

Subscribed and sworn to before me this 29 day of May, 1899.

(Seal)

WILLIAM L. HALL.

Notary Public.

(Endorsed) Filed, May 29, 1899.

S. W. BURNHAM,

Clerk.

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And, to wit, on the 31st day of May, 1899, there was filed in the office of the Clerk of said Court the affidavit of Leon F. Douglass, two affidavits each of Henry B. Robson and Charles Dickinson and the affidavit of Silas F. Leachman, and Defendants' Notice of Motion, in the following words and figures, to-wit:

IN THE UNITED STATES CIRCUIT COURT,  
For the Northern District of Illinois.  
In Equity.-

American Graphophone Company,  
vs.  
Talking Machine Company, et al. } No. 25,186.

Same  
vs.  
Michael Seter, et al. } No. 25,187.

Leon F. Douglass, being first duly sworn, deposes and says that he has heretofore built up and has now a large and valuable business in buying patented sound record blanks of the complainant and its licensed manufacturers, agents and dealers, and writing or cutting duplicates thereon by use of his own duplicating machines which the complainant has heretofore licensed him to use for the purpose of making duplicates for sale to others. That his said business is now being very greatly interfered with, and will soon be entirely ruined by the restraining order heretofore issued in this cause if the same is not vacated; that all affiant's customers will transfer their business to others very soon if affiant continues unable to supply their orders; that affiant is informed and believes it to be true that the complainant has caused affiant's customers to be notified of the issuance of said restraining order, and has warned them against hereafter buying any duplicates and records from him, although the complainant well knows that it has given affiant a free and unrestricted license to make and sell duplicate sound records. Affiant further states that his customers are already discontinuing their orders on account of this notification, and that if the restraining order is not vacated before the time set for the hearing of the preliminary injunction motion, affiant's business will be ruined.

(Signed) LEON F. DOUGLASS.

Affidavit of Leon  
F. Douglass,  
filed May 31, 1899.



*Affidavit of Henry B. Babson.*

State of Illinois, }  
County of Cook. } ss.

Subscribed and sworn to before me this 31st day of May, 1899.

H. M. MUNDAY,

Notary Public.

(Seal)

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM,

Clerk.

## IN THE UNITED STATES CIRCUIT COURT,

For the Northern District of Illinois.

In Equity.

American Graphophone Company

vs.

Talking Machine Company, et al.

No. 25,186.

Same

vs.

Michael Seter, et al.

No. 25,187.

State of Illinois, }  
County of Cook. } ss.

Affidavit of Henry  
B. Babson, filed  
May 31, 1899.

Henry B. Babson, being first duly sworn, deposes and says that he is the President of the Talking Machine Company and is familiar with its business; that said Company has built up and now has a large and valuable business in buying of the complainant and its licensed manufacturers, agents and dealers, graphophones, phonographs, sound records, duplicate sound records and sound record blanks, and other talking machine supplies, and reselling the same to others. That its said business is now being greatly interfered with and will soon be ruined by the restraining order heretofore issued in this cause if the same is not vacated. That affiant is informed and believes it to be true that the complainant has caused defendant's customers to be notified concerning this restraining order and warned them against hereafter buying any goods

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from it, and have frightened them so that they have already  
began to discontinue orders.

(Signed) HENRY B. BABSON.

Subscribed and sworn to before me this 31st day of May, 1899.

H. W. MUNDAY,

Notary Public.

(Seal)

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM,

Clerk.

91

AFFIDAVIT OF HENRY BABSON.

IN THE UNITED STATES CIRCUIT COURT,

For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant.

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass, and  
Henry B. Babson,

Defendants.

No. 25186.

State of Illinois, }  
County of Cook. } ss.

Henry B. Babson, one of the above named defendants, being first  
duly sworn, deposes as follows:

I am twenty three years of age, and reside at 77 Dearborn Ave-  
nue, Chicago, Illinois. I am President of the Talking Machine  
Company and am familiar with all its business. The business of  
this Company is the handling and dealing in talking machines, that  
is to say graphophones and phonographs—and their supplies which  
the complainant or its licensed manufacturers, manufacture. The  
company buys graphophones and phonographs of the Columbia  
Phonograph Company and of the National Phonograph Company,  
who are licensees of the American Graphophone Company, com-  
plainant. The Talking Machine Company buys its supplies, that is  
to say extra parts, record blanks, &c., and also its completed rec-

Affidavit of Henry  
B. Babson, filed  
May 31, 1899.



Affidavit of Henry  
B. Babson, filed  
May 31, 1899.

ords from the same companies above named. And it has also bought some duplicate sound records from Leon F. Douglass, who is a licensed manufacturer of duplicates on sound record blanks which he purchases only of the complainant.

The Talking Machine Company has never made any graphophones nor phonographs, nor talking machines of any kind, nor any  
92 parts of the same, nor has it procured anybody else to make the same for it; nor has it made any record blanks nor duplicate records; nor has it ever sold any phonographs, graphophones, or parts of the same, or sound records or sound record blanks, which were not manufactured by the complainant or its authorized manufacturers or licensed dealers or agents; nor has it in any way infringed upon the letters patent sued on in this case.

I personally have never made any phonographs or graphophones or parts of the same, or duplicate sound records, or sound record blanks, nor have I sold any. I am in no way directly or indirectly engaged in the talking machine business.

I am perfectly familiar with the manner in which the graphophone and phonograph business is carried on by the various dealers in talking machines, and by the Columbia Phonograph Company and the National Phonograph Company. These companies and all others engaged in this business sell the talking machines and sell with it blank wax-like cylinders called record cylinders or phonogram blanks. And these phonogram blanks which are consumed in the use of the machine are a regular article of supply, and I understand they are patented, the patents being owned by the complainant or its licensees, the Columbia Phonograph Company and the National Phonograph Company. The Talking Machine Company, defendants, is authorized by the American Graphophone Company to sell these phonogram blanks, the sound records made on them, the graphophones or phonographs in which they are to be used, and the other supplies which the user of the phonograph may require, and which merchandise has been purchased either of the complainant direct or its authorized agents and licensees and manufacturers, the Columbia Phonograph Company and the National Phonograph Company, or any other person who has bought such merchandise of them or of such authorized manufacturers. And the Talking Machine Company has been doing this without complaint ever since it has done business, and it has paid many  
93 thousand dollars to the complainant or its licensed manufacturers for such merchandise.

When a customer purchases of any phonograph company a machine he is authorized to use this machine in the way it was intended to be used, namely with blanks furnished with the machine or pur-

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chased afterwards and with the completed records purchased with the machine or afterward. And affiant knows that all talking machine dealers sell their talking machines with this distinct understanding. There is no limit to the number of blank phonograms which any person may purchase or use for making records for himself, provided only such blanks are used upon talking machines which have been purchased of the complainant or its licensed manufacturers. Indeed the phonogram blanks are of no use to anybody except for use upon the talking machine which they are especially made to fit and which talking machines are only made by the complainant or its authorized manufacturers. And the same is true of the completed records made on such phonogram blanks.

HENRY B. BABSON.

Subscribed and sworn to before me this 31st day of May, 1899.

H. M. MUNDAY,

Notary Public.

(Seal)

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM,

Clerk.

94 IN THE UNITED STATES CIRCUIT COURT,

For the Northern District of Illinois.

In Equity.

American Graphophone Company  
vs.

Talking Machine Company et al.

No. 25,186.

Same

vs.

Michael Seter et al.

No. 25,187.

State of Illinois, }  
County of Cook. } ss.

Charles Dickinson, being first duly sworn, deposes and says that he is the President of the Polyphone Company and is familiar with its business; that said Company has built up a large and valuable business in buying of the complainant's and its licensed manufacturers, agents and dealers, graphophones, phonographs and extra reproducers for the same and reselling them as polyphones; that

Affidavit of Chas.  
Dickinson, filed  
May 31, 1899.



Affidavit of Chas.  
Dickinson, filed  
May 31, 1899.

this business is being very greatly interfered with and will soon be ruined by the restraining order heretofore issued in this case if the same is not vacated; that already the complainants have written to our customers concerning this restraining order and have frightened them so that they are cancelling orders for our goods.

(Signed) CHARLES DICKINSON.

Subscribed and sworn to before me this 31st day of May, 1899.

H. M. MUNDAY,

(Seal)

Notary Public.

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM,

Clerk.

AFFIDAVIT OF CHARLES DICKINSON.

IN THE UNITED STATES CIRCUIT COURT,

For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant,

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass, and  
Henry Babson,  
Defendants.

No. 25, 186.

State of Illinois, }  
County of Cook. } ss.

Affidavit of Chas.  
Dickinson, filed  
May 31, 1899.

Charles Dickinson, being first duly sworn, deposes, and says:

I am forty-one years of age and reside at 1107 Michigan Street, Evanston, Illinois, am engaged in the business of handling and selling seeds, and am Vice President of the Albert Dickinson Company, of Chicago, Corner W. Taylor Street and the River; I am also President of the Chicago Moto-Cycle Company, 107 Madison Street, Chicago, Illinois

I am President of the defendant, the Polyphone Company, and I am the owner of the Leon F. Douglass patent No. 613,670 of November 8, 1898, on the Polyphone attachment to phonographs or graphophones. I am fully familiar with the business of the Polyphone Company. It consists in buying of the complainant Com-



Amalgam of Chas.  
Dickinson filed  
May 31, 1899.

pany, or its licensed manufacturers, the Columbia Phonograph Company and the National Phonograph Company or their licensed dealers and agents, graphophones and phonographs, with an extra reproducer part for each machine. The extra reproducer is the attachment added to the ordinary phonograph or graphophone to make of it the polyphone. The Polyphone Company applies the extra reproducer to the machine and then resells the same to its customers, and among others to the complainant itself, the American Graphophone Company. The Polyphone Company has 96 been engaged in this business for many months, and has purchased from the complainant and its authorized manufacturers, dealers and agents directly or indirectly, many hundreds of graphophones and phonographs with the extra reproducers for the purpose of adding the same to the machines to constitute the polyphones. The complainant company has been fully aware of this business from its inception. The complainant has procured from the Polyphone Company specially reduced rates for the polyphones bought by it from the Polyphone Company, and itself sells to others the polyphones so bought.

The Polyphone Company has never manufactured any phonograph or graphophone, or any part thereof; on the contrary, it has bought all said machine and parts of the same directly or indirectly of the complainant or its licensed manufacturers, agents or dealers. The Polyphone Company has never made, used or sold any duplicating machines of any kind. Nor has it ever made any duplicate sound records, nor any sound record blanks, nor any sound records, nor has it ever sold any duplicate sound records, sound records, or sound record blanks which were not purchased from the complainant or its licensed manufacturers, agent or dealers. And the Polyphone Company has never in any way infringed upon the letters patent sued upon in this case. Nor has the Polyphone Company ever bought any duplicate sound records of Leon F. Douglass.

I am neither an officer nor a director of the Talking Machine Company. I know Henry B. Babson, the President of the Talking Machine Company, and the Polyphone Company sells polyphones to it as well as to the complainant company and other dealers, and I am generally familiar with what the business of the Talking Machine Company is. It did no talking machine business of any kind from 1894, when it was organized, to 1898. In 1898 it began the business of dealing in phonographs, graphophones, polyphones, sound records, duplicate sound records, sound record blanks and other talking machine supplies. The business of the Talking 97 Machine Company is now, and has always been simply that of a dealer in said machines and supplies, and it has never made

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Affidavit of Chas.  
Dickinson, filed  
May 31, 1899.

any phonographs, graphophones, or parts of the same; on the contrary, it has bought all said machines and parts of the same directly or indirectly of the complainant, or its licensed manufacturers, agents or dealers. The Talking Machine Company has never made, sold or used any duplicating machines of any kind, nor has it ever made any duplicate sound records, nor has it ever made any sound record blanks. Nor has it ever sold any sound records, duplicate sound records or sound record blanks which were not procured directly or indirectly from the complainant or its licensed manufacturers, agents or dealers. And the Talking Machine Company has never in any way infringed upon the letters patent sued upon in this case. During the past six months the complainant and its authorized manufacturers, agents and dealers have sold to the Talking Machine Company many thousand dollars worth of graphophones, phonographs, sound records, duplicate sound records, sound record blanks and other supplies, and the complainant has been fully aware of this all along.

I am now and have been for many years a stock holder of both the American Graphophone Company and the Columbia Phonograph Company. I know Leon F. Douglass and E. D. Easton, and have known them from seven to nine years, and during this time have been somewhat familiar with the business of the American Graphophone Company, and especially with the relations between Leon F. Douglass and said Company, and said Easton. I was a director of and interested in the Chicago Central Phonograph Company when Mr. Douglass came from Grand Island Nebraska, in 1890, to work for said Company as superintendent.

It has always been my understanding that Mr. Leon F. Douglass was the inventor of the practical process and apparatus of duplicating sound records, and that he was the originator of the business. While Mr. Leon F. Douglass was in the employ of the Chicago

Central Phonograph Company I knew of his making duplicate sound records for said company, and I also remember that in the spring of 1892 he went to Washington and entered the employ, for a short time, of the American Graphophone Company. I also know that when he returned from Washington he exercised the right or license to make duplicate sound records for himself, and sold them to the Chicago Central Phonograph Company. I have always understood that Leon F. Douglass was licensed to manufacture duplicate sound records by the American Graphophone Company, and I know of my own personal knowledge that he has openly exercised this right with the full knowledge and consent of E. D. Easton and the American Graphophone Company for many years.

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I do not know the defendant Michael Seter or Nicholas Ott named in the suit 25,187, and never heard of them prior to this suit. Neither the Polyphone Company nor the Talking Machine Company has ever bought or procured from them any phonographs, graphophones, duplicating machines, sound record, duplicate sound records or sound record blanks. And neither of said companies, to the best of my knowledge and belief have ever had any dealings with them or either of them.

Affidavit of Charles Dickinson, filed May 31, 1899.

I have personally known Leon F. Douglass and Henry B. Babson, and I personally know them to be honest, trustworthy, straightforward, reliable, and truthful young men.

CHARLES DICKINSON.

Subscribed and sworn to before me on this 30th day of May, A. D. 1899.

[Seal.]

H. M. MUNDAY,  
Notary Public.

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM,  
Clerk.

99 AFFIDAVIT OF SILAS F. LEACHMAN.

IN THE CIRCUIT COURT OF THE UNITED STATES.

For the Northern District of Illinois.

In Equity.

American Graphophone Company,	}
Complainant.	
25,186 vs.	}
Talking Machine Company, Polyphone	
Company, Leon F. Douglass and	
Henry B. Babson,	
	Defendants.

State of Illinois, }  
County of Cook. } ss.

Silas F. Leachman, being first duly sworn, deposes as follows:  
I am coming forty years of age, I reside in Chicago, Illinois, and am a singer by occupation. At the present time and since 1892 my business has been singing to make talking machine records. I

Affidavit of Silas F. Leachman, filed May 31, 1899.



Affidavit of Silas  
F. Leachman,  
filed May 31, 1899.

am employed to do this because my voice has a peculiar quality which fits it for this work. I am in the employ of Leon F. Douglass making sound records which are exclusively sold by the Talking Machine Company of Chicago. I also make the duplicates of my own records which I sing for Mr. Douglass. I make these duplicates upon Mr. Douglass's own machine as his employee, and I have no duplicating machine of my own and never have had.

I am informed that somebody has said that I have at my house a large size or "grand" duplicating machine. If anybody ever said that it is untrue in every particular. I have no such machine at my house and never had. Moreover I am perfectly familiar with the whole business of making sound records and duplicates of the same, I never knew or heard of a duplicate sound record of the "grand" size being made. I never saw such a duplicate record and do not believe that any have yet been made. All of the grand size records that I ever saw were original or master records. I understand that Mr. Douglass expects to make some duplicate grand records, but he has not made any yet.

I have never for my own account or for myself made any duplicate records, nor sold any. I have never made any talking machines. I have never made any duplicating machines or sold any. I have never infringed upon any body's patent upon talking machines, or sound records or duplicating machines.

I have never sold any duplicate sound records even for Mr. Douglass excepting only duplicates of the records that I sing myself.

I should not hesitate, if I had occasion to do so, for Mr. Douglass, to duplicate any other singer's records; because there is no copyright on the songs sung in these records. I buy my own songs of the publishers, and they are glad to have me use them and sing them into the phonograph for reproduction, because it advertises their music. Indeed, of late years, the publishers have been accustomed to send to me gratis a copy of each song as it comes out, known as professional copies. I have never objected to other phonograph companies duplicating the records which I make. I hope they will keep the price up to a fair rate, that is all. I know that it is and always has been, ever since the duplicating method was discovered, the general practice of the various talking machine concerns. I know that Mr. E. D. Easton's company at Washington, the Columbia Phonograph Company, at one time bought some of my masters' records of Mr. Douglass and put my name on their catalogue of singers. And I know from the great quantities of Leachman records that they subsequently sold that they must have duplicated my originals very extensively, but I made no



objection to this at the time, and have no objection to make, because it is a well recognized common practice. My art is peculiar to myself. It resides in the peculiar quality of my voice, and this is true of every phonograph singer. And I have a perfect protection in my business because nobody can sing master records with my voice except myself. And while they are able to duplicate my records from the originals, they cannot duplicate from the duplicates, successfully. And new songs are coming out constantly, and old master records are being constantly worn out. So it is there is no good reason why any singer should object to having his records duplicated. At any rate I recognize it as a common practice.

I have always understood, and it is a matter of general knowledge among talking machine men and dealers, that Leon F. Douglass is licensed by the American Graphophone Company to make duplicate sound records. I know Mr. E. D. Easton and have known him since 1893, and I know such right to make duplicate sound records was exercised by Mr. Douglass with Mr. Easton's full knowledge and consent.

I have never used any duplicating machines for the Talking Machine Company or for the Polyphone Company, and have never made any duplicate sound records for either of said companies, or for Henry B. Babson.

SILAS F. LEACHMAN,

Subscribed and sworn to before me this 31st day of May, 1899.  
H. M. MUNDAY.

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM  
Clerk.

102 And, to-wit, on the 2nd day of June, 1899, there was filed in the office of the Clerk of said Court, the Restraining Order entered of record in said Court on the 24th day of May, 1899, which, together with the Marshal's Return thereon, is in the following words and figures, to-wit:—

Affidavit of Silas  
F. Leachman,  
dated May 31, 1899.



103 IN THE UNITED STATES CIRCUIT COURT,  
For the Northern District of Illinois.  
In Equity.

American Graphophone Company }  
vs. } No. 25,186.  
Talking Machine Company et al. }

Same }  
vs. } No. 25,187.  
Michael Seter et al. }

Receipt, filed May  
31, 1899.

To Messrs. Poole & Brown, Complainant's Solicitors:

Gentlemen:—We herewith hand you copies of affidavits to be used in the above suit or suits, as follows:

Two affidavits by Charles Dickinson,  
Three " " Leon F. Douglass,  
Three " " Henry B. Babson,  
Two " " Silas F. Leachman,  
One joint " " Michael Seter and Nicholas Ott.

Yours very respectfully,

(Signed) MUNDAY, EVARTS & ADCOCK.

Received of Messrs. Munday, Evarts & Adcock, at 3.45 o'clock P. M., May 31, 1899, the copies referred to in the foregoing.

POOLE & BROWN,  
Complainant's Solicitors.

(Endorsed) Filed May 31, 1899.

S. W. BURNHAM,  
Clerk.



## ORDER.

## CIRCUIT COURT OF THE UNITED STATES,

Northern District of Illinois,

Northern Division.

Wednesday, May 24, 1899.

Present, Hon. Christian C. Kohlsaat, District Judge.

American Graphophone Company,  
Complainant,

25186

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass, and  
Henry B. Babson,

Defendants.

In Chancery.

And now comes the Complainant, by Poole & Brown, its Solicitors, and having filed its motion for an injunction pendente lite and affidavits in support thereof, it is:

Order, entered  
May 24, 1899.

Ordered:

That said motion be placed upon the contested motion calendar and set for hearing at ten o'clock A. M. Thursday, June 8, 1899; and upon motion of complainant's solicitors in open court for a restraining order until said injunction motion is heard and for a rule on the defendants to deliver to the custody of the court, to abide the result of the cause, all apparatus or parts thereof for making duplicate sound records and all duplicate sound records in the possession of or under the control of the defendants, or either of them; and the court being advised in the premises, it is further

Ordered:

1. That the defendants, the Talking Machine Company, Polyphone Company, Leon F. Douglass, and Henry B. Babson, their and each of their associates, attorneys, servants, clerks, agents and workmen be, and they are, hereby enjoined and restrained from directly or indirectly making or causing to be made, using or causing to be used, selling or causing to be sold, any apparatus or sound record embodying or constructed or operated in accordance with the invention or improvement set forth in complainant's letters patent issued to C. A. Bell and Sumner Tainter, on the 4th day of May, 1886, No. 341,214, or from in any wise manufacturing or imitating said invention or any sound record made or op-



Order entered  
May 24, 1899.

erated in accordance therewith, or similar to those which the said defendants have heretofore made, used and sold, or from selling, transferring, leasing or encumbering in whole or in part the title to any and all apparatus for making duplicate sound records, and said duplicate sound records now owned in whole or in part by said defendants or in their or either of their possession or control, or from in any manner concealing or disposing of the same until the further order of this court.

II. That the defendants shall and they are hereby ordered and directed to deliver to the custody of the United States Marshal, and said marshal is hereby directed to take possession of all apparatus and parts thereof for making duplicate sound records and all duplicate sound records embodying or constructed or operated in accordance with the invention or improvements set forth in said Letters Patent found in their possession or in the custody or control of the said defendants, or either of them; and said defendants are hereby restrained and enjoined from in anywise interfering with the judicial custody of said machines and such records until the further order of this court.

III. It is further ordered that a copy of complainant's moving papers, and of this order, be served forthwith upon the several defendants, and that copies of answering affidavits in opposition to said motion for injunction to be used on behalf of the defendants at the hearing thereof be filed with the clerk of the court and copies thereof served upon complainant's solicitors before four o'clock in the afternoon of Wednesday, May 31, 1899.

106 Northern District of Illinois, }  
Northern Division. }

I, S. W. Burnham, Clerk of the Circuit Court of the United States, for said Northern District of Illinois, do hereby certify the above and foregoing to be a true and complete copy of the order entered of record in said court on the 24th day of May, 1899, in the cause wherein American Graphophone Company is complainant, and Talking Machine Company, Polyphone Company, Leon F. Douglass and Henry B. Babson are defendants, as the same appears from the original records of said court now remaining in my custody and control.

In testimony whereof I have hereunto set my hand and affixed the seal of said court, at my office in Chicago, in said district, this 25th day of May, A. D. 1899.

(Seal.)

S. W. BURNHAM,  
Clerk.



107

**MARSHAL'S RETURN.**

**Marshal's return.  
Filed June 2, 1899.**

I have served the within order within my District upon each of the within named defendants, namely, the Talking Machine Company, by delivering a copy thereof to Henry B. Babson, President, and upon Henry B. Babson, individually by delivering a copy thereof to him at the office of the said Company, 107 Madison Street, Chicago, on the morning of the 25th day of May, 1899, and that I served the within order upon the Polyphone Company by delivering a copy thereof to Leon F. Douglass, Vice-President of the said Company, and upon said Leon F. Douglass, individually; by delivering a copy thereof to him, on the 24th day of May, 1899, at the office of said Polyphone Company, 107 Madison Street, Chicago, Ill.; that in accordance with the terms of said order I made demand upon the defendants and each of them, for all apparatus and parts thereof for making duplicate sound records and all duplicate sound records in their custody or control, and that in accordance with said demand the defendant Leon F. Douglass delivered seven machines that he said were duplicating machines and one dozen records that he said were duplicate records; that said Douglass admitted that he has other duplicate records, but that they were intermingled with the balance of his stock so that it would be difficult to separate them; and that the defendants, the Talking Machine Company, Polyphone Company and Henry B. Babson did not deliver to me any duplicating apparatus or record; and that the seven duplicating machines and the one dozen duplicate records delivered up by the defendant Douglass were removed to my office and are now in my custody and control subject to the further order of the Court.

JOHN C. AMES,  
U. S. Marshal.  
By E. H. PEDERSON,  
Deputy.

(Endorsed) Filed June 2, 1899.

S. W. BURNHAM,  
Clerk.

108 Afterwards, to-wit on the 3rd day of June, in the record of proceedings in said entitled cause before the Hon. Christian C. Kohlsaat, District Judge, appears the following entry, to-wit:



## ORDER.

## CIRCUIT COURT OF THE UNITED STATES,

Northern District of Illinois,

Northern Division.

Saturday, June 3, 1899.

Present, Hon. Christian C. Kohlsaat, District Judge.

The American Graphophone Company }  
 25,186 vs. Talking Machine Company, Polyphone }  
 Company, Leon F. Douglass, and }  
 Henry B. Babson. }

Order, entered  
 June 2, 1899.

And now comes the defendants and move the Court that the temporary restraining order heretofore entered herein be vacated, and the same having been heard, the Court orders that the said order be vacated on the filing of a bond by the defendants satisfactory to the Court in the sum of ten thousand dollars, and said bond having been duly filed, it is:

Ordered that the restraining order heretofore entered in this cause be and the same is hereby vacated.

109 And on, to-wit the 9th day of June 1899, there was filed in the office of the Clerk of said Court a Notice and two affidavits of Leon F. Douglass which are in the following words and figures, to-wit:

## 110 IN THE UNITED STATES CIRCUIT COURT

For the Northern Division of the Northern District of Illinois.

American Graphophone Company }  
 vs. Talking Machine Company, Leon F. } In Equity.  
 Douglass, et al. } No. 25,186.

## Notice.

Notice, filed June  
 2, 1899.

To Munday, Evarts & Adcock, #906 Marquette Building, Chicago, Illinois, Solicitors for Defendants.  
 Gentlemen—You will please take notice that on Saturday, June

10th, 1899  
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10th, 1899, at the hearing before Judge Kohlsaat of the Complainant's motion for an injunction pendente lite in this cause, we shall offer and read in rebuttal two certain original affidavits heretofore executed by the defendant Leon F. Douglass and filed in this court, the one in the case entitled American Graphophone Company vs. W. C. Backoff et al, In Equity, No. 24,824 and 24,825, consolidated, and the other in the case entitled American Graphophone Company vs. Boswell, In Equity, No. 24,688, copies of which are hereto attached for your convenience.

Notice, filed June 9, 1899.

Chicago, June 9th, 1899.

POOLE & BROWN,  
Complainant's solicitors.

We hereby acknowledge service of the foregoing notice with copies of two Douglass affidavits attached, this 9th day of June, A. D. 1899.

(Signed) MUNDAY, EVAR'S & ADCOCK,  
Solicitors for Defendants.

(Endorsed) Filed June 9, 1899.

S. W. BURNHAM,  
Clerk.

111 IN THE UNITED STATES CIRCUIT COURT,

Northern District of Illinois,

Northern Division.

American Graphophone Company

vs.

David E. Boswell and  
Frank D. Pearne.

In Equity,  
No. 24,688.

Affidavit of Leon F. Douglass.

State of Illinois, }  
County of Cook. } ss.

Leon F. Douglass, being duly sworn, deposes and says:

I reside in the City of Chicago, and am the manager of the Chicago office of the Columbia Phonograph Company General, which deals in graphophones, tablets, sound-records, etc., manufactured by the American Graphophone Company under its patents. This office succeeded to the business of the Chicago Talking Machine

Affidavit of Leon  
F. Douglass, filed  
June 9, 1899.



Affidavit of Leon  
F. Douglass,  
filed June 9, 1899.

Company, which sustained similar relations to the American Graphophone Company, and of which I was manager for a number of years. I have had an extensive knowledge of the talking machine business during all this period, and am familiar with the manufacture of "duplicate" sound-records, which constitute a large feature of the business. I have made many such records myself 112 and can by careful examination, distinguish a "duplicate" from an original.

Some weeks ago, I became aware of the fact that some one was locally cutting into the trade of the complainant company by selling sound records at a price below that of said company. These records are sold, at all the company's agencies according to a fixed schedule of retail and wholesale prices, and all local orders, to whatever office they may be sent, are filled by my office, so that I have a complete knowledge of the local customers and users of graphophones and supplies.

My knowledge of the existence of this illegitimate business in Chicago was obtained through the circumstances that certain customers who were large purchasers of graphophones bought but few records or none at all through my office, and upon inquiry I learned that they were supplied by the defendants, Boswell & Co., (a firm composed of D. E. Boswell and Frank D. Pearne) No. 85 Dearborn Street, and that such records were sold by them at the rate of Three Dollars (\$3.00) per dozen. I ascertained that they were selling records that were not obtained from me, indicating that they were the product of some unauthorized maker. The price (which is much lower than that of the Columbia Phonograph Company) also proves this and further proves that the records put out by said Boswell & Co. are "duplicate" records, that is to say, engraved records which are copies of an "original" or "Master" 113 record, the copying being done by mechanical transfer.

I am informed that the defendants, the said Boswell & Co., have lately been ordering from W. C. Ritchie Paper Box Co., of this City, a large number (about 2,000 per month) of the paste-board boxes or cases in which records are packed for the market.

In order to obtain authentic specimens of the records put out by Boswell & Co., I reported the matter to Messrs. Poole & Brown, complainant's local counsel, who directed Mr. A. J. Oehring and Mr. W. L. Hall to purchase such records personally.

I have carefully examined the records marked "Complainant's Exhibit, Defendants Records, 1, 2, and 3, M. L. Price, Notary Public," handed to me by Mr. W. L. Hall. They are sound records, in all respects like those made by Complainant under its patents, and not distinguishable therefrom by ordinary



users. They are moreover "duplicate" records, not originals. At the price for which they are sold they could not be originals; but without reference to that I believe they are duplicates from their appearance. A conclusive test is furnished by putting the record on a graphophone, and listening to the reproduction. In making the original the style commences to cut the tablet before the sound to be recorded begins. In reproducing the point at which this cut begins is marked by a click, and by a distinctive sound as the rubbing style moves in the plain groove. In duplicating, the cutting style is set to work a little in advance of the point where the follower strikes the beginning of the groove on the master.

Amended from  
F. Thompson  
Filed June 8, 1909

Hence, the duplicate, when reproduced gives out the distinct-  
114 ive sound above referred to, a second time. By these tests the sound records above referred to, namely, "Complainant's Exhibit, Defendants' Records, 1, 2 and 3, M. L. Price, Notary Public" are shown conclusively to my mind to be duplicates.

I have examined United States Letters Patent, Nos. 341,288 and 341,214 upon which this suit is based and believe I understand the same. Referring thereto, I am of the opinion that each of these defendants records is "a sound record consisting of a tablet or other solid body having its surface cut or engraved with narrow lines or irregular or varied form corresponding to 'sound waves'" as specified in claim 7 of patent No. 341,214.

The lines constituting the sound record are of variable cross-section, as stated in claim 8 of said patent; and the substance in which they are cut in a wax light composition as specified in claim 10 of the same patent.

Each of these defendants records is a "sound record in the form of an irregular groove with sloping walls cut in a solid material" as specified in claim 17 of said patent, the solid material being "a wax like composition" as specified in claim 18 thereof.

Each of these defendants devices is further more "a recording tablet consisting of a hollow tablet provided with a wax or wax like coating and having a sound record cut in said coating," as specified in claim 37 of patent #341,288.

In fact, only by close scrutiny on the part of an expert in this business can the defendant's sound records be distinguished  
115 from the ordinary graphophone sound records of commerce.

I am acquainted with the defendants D. E. Boswell and Frank D. Pearne. They have limited capital or credit. Said Boswell is the same person who, in the early part of this year put upon the market an infringing medicine called the "Ediphone" and was



*Affidavit of Leon F. Douglass.*

Affidavit of Leon  
F. Douglass,  
filed June 9, 1899.

sued by the American Graphophone Company, under the patents  
here in suit and enjoined.

LEON F. DOUGLASS.

Sworn to and subscribed before me this 9th day of November,  
1897.

MARIE L. PRICE,  
Notary Public.

(Seal)

(Endorsed) Filed Nov. 9, 1897.

S. W. BURNHAM,  
Clerk.

(Endorsed) Filed June 9, 1899.

S. W. BURNHAM,  
Clerk.

Northern District of Illinois, } ss.  
Northern Division.

I, S. W. Burnham, Clerk of the Circuit Court of the United States, for said Northern District of Illinois, do hereby certify the above and foregoing to be a true and complete copy of Affidavit of Leon F. Douglass, filed in said Court on the 9th day of Nov., 1897, in the cause wherein American Graphophone Company is Complainant and David E. Boswell and Frank D. Pearne are defendants, as the same appears from the original now remaining in my custody and control.

In Testimony Whereof, I have hereunto set my Hand and affixed the seal of said Court at my office in Chicago, in said District, this 9th day of June, 1899.

S. W. BURNHAM,  
Clerk.

(Seal)



116

UNITED STATES CIRCUIT COURT.

Northern District of Illinois.

Northern Division.

American Graphophone Company	}	In Equity.
v.		
Western Phonograph Co., and W. V.		
Backof.		
Same		
v.		
Aaron J. Jones.		

AFFIDAVIT OF LEON F. DOUGLASS.

State of Illinois, }  
County of Cook. } ss.

Leon F. Douglass, of lawful age, having been duly sworn, states as follows:

Affidavit of Leon  
F. Douglass,  
filed June 9, 1899.

I am and have been for 10 years engaged in the manufacture and sale of Talking Machines, and was prior to March 1st, 1898 the Chicago Manager for the Columbia Phonograph Company, General, which is the sole selling agent of said American Graphophone Company; that I am familiar with the history and art of Talking Machines, and am acquainted with the development of the business of making and selling said machines, and have read and understand the principal Letters Patent relating thereto.

Affiant further states that he has read and understands the affidavits of William C. Backof and A. J. Jones, filed in this cause, and that with respect to the statements contained in said affidavits 117 to the effect that certain duplicate records made and sold by the said parties were lawfully made by the use of machines or apparatus purchased from the American Graphophone Company or with its licensees, such statements cannot be true for the following reasons:

First: The sound records described in U. S. Letters Patent No. 341,214, on which this suit is brought, are of two kinds only, namely, original records and duplicate records, both of which are equally covered by the claims of said Letters Patent; those known as original records being made by the use of Phonographs, Graphophones or like machines, which are sold by the said American Graphophone Company and its licensees for use in making such original



Affidavit of Leon  
F. Douglass,  
filed June 4, 1899.

records, and those known as duplicate records, being reproductions of original records which can be made only from such original records by machines especially designed for the purpose.

Second: No duplicate records could have been made by the use of a Graphophone, Phonographs, or like machines furnished by the American Graphophone Company or other authorized concerns, for the reason that all such machines are designed and adopted for making original sound records only, and the making of duplicate records by the use of such machines is impossible without such changes therein or additions thereto as would make practically new and different machines.

Third: No duplicate records could have been made by the use of duplicating machines purchased from the American Graphophone Company, or its licensees, for the reason that said Company is the owner of all United States Patents (including one obtained by affiant and assigned to said Company), which cover the only practical means for producing duplicate from original records, and also because the said American Graphophone Company and its sole selling agent, the Columbia Phonograph Company, makes it an invariable rule to sell no duplicating machines, and none can be purchased by those who are not licensees.

Affiant further states that he has never purchased from Henry Reimers any duplicating machines or any parts thereof.

Affiant further states that all records made on a duplicating machine possess a certain peculiarity by which they can be certainly distinguished from original records; that affiant has tested certain records in evidence herein, marked "Complainants' Exhibits, Defendants' Records, M. L. Price, Notary Public," which were brought to affiant by W. A. Whitehead, who informed affiant that said records had been by him purchased from the said Western Phonograph Company, and that from the tests made, affiant finds that said records were made by the use of the duplicating machine and of necessity cannot be the product of a Phonograph, Graphophone, or similar sound recording or sound reproducing machine.

Affiant further states that during the month of March, 1898, the said Henry Reimers came to affiant and stated to affiant that he had purchased for the said Western Phonograph Company ten barrels of black record cylinders in the east, which had been delayed in transmission, and that he wished to purchase a barrel of the same from affiant's company for immediate use of said Western Phonograph Company; that a barrel usually contains 160 records; that the quantity then purchased by said company was largely in excess of its possible needs in the making of original records, and that, to the best of affiant's knowledge and belief, the said company has had no facilities for the making of original



records in any considerable quantities nor any such facilities as are necessary for producing the variety of records which it advertises by its catalogue (marked "Exhibit A") to furnish, and especially for the making of records of band and orchestral music, which is largely represented in such catalogue. Affiant further states that he has examined such catalogue of records offered for sale by the Western Phonograph Company, and finds that the greater portion thereof are records of performers who live in the east, many of whom are under exclusive contract with the American Graphophone Co., and its sales agent, the Columbia Graphophone Company, General, for the making of original records, from which to prepare duplicate records and that it is improbable, if not impossible that the Western Phonograph Company could have obtained the services of said performers for the purpose of making original records in Chicago. Affiant, therefore, believes that the records made by the use of the blanks referred to by said Reimers, as aforesaid, and sold by said Western Phonograph Company from said catalogue, are duplicate records made by the latter company in Chicago.

120 Affiant further states that duplicate records of certain performers, and more especially of music by Issler's Orchestra are made only by the United States Phonograph Company, who have maintained a price of not less than seventy (70) cents wholesale and one dollar (\$1.00) retail therefor; that the Western Phonograph Company, offers to sell the same records for fifty (50) cents each; that two of the exhibit records marked "Complainants' Exhibits, Defendants' Records" are of pieces of music by Issler's Orchestra and were purchased from the said Company at the price of fifty (50) cents each; that Issler's Orchestra records, to affiant's knowledge, cannot be obtained from the makers thereof for less than seventy (70) cents each, that said United States Phonograph Company is not licensed to make duplicates, and the duplicates so purchased were, therefore, probably produced either by said Western Phonograph Company or by other unauthorized makers.

And further affiant saith not.

LEON F. DOUGLASS.

Subscribed and sworn to before me this 18th day of April A. D. 1898.

WILLIAM L. HALL,  
Notary Public.

(Endorsed) Filed Apr. 18, 1898.

S. W. BURNHAM,  
Clerk.

(Endorsed) Filed June 9, 1899.

S. W. BURNHAM,  
Clerk.

Affidavit of Leon  
F. Douglass,  
filed June 9, 1899.



121 Northern District of Illinois, } ss.  
Northern Division.

Clerk's certificate,  
filed June 9, 1899.

I, S. W. Burnham, Clerk of the Circuit Court of the United States, for said Northern District of Illinois, do hereby certify the above and foregoing to be a true and complete copy of the Affidavit of Leon F. Douglass filed in said Court on the 18th day of April, 1898, in the cause entitled:

American Graphophone Company  
v.  
Western Phonograph Co., and W. V.  
Backof.

Same

v.  
Aaron J. Jones.

In Equity.  
Nos. 24,824, 24,825.

as the same appears from the original now remaining in my custody and control.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court at my office in Chicago, in said District, this 9th day of June, 1899.

(Seal)

S. W. BURNHAM,  
Clerk.

(Endorsed) Filed June 9, 1899.

S. W. BURNHAM,  
Clerk.

122 And on, to-wit, the 10th day of June, 1899, there was filed in the office of the Clerk of said Court, a Notice, two affidavits of Leon F. Douglass, two affidavits of Charles Dickinson and one affidavit for each of the following: Howard W. Hayes, E. D. Easton, Henry B. Babson, and Silas F. Leachman and Specification forming part of Letters Patent No. 341,214, original being marked, "Complainant's Exhibit, Complainant's Patent," which are in the words and figures following, to-wit:—

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123 IN THE UNITED STATES CIRCUIT COURT

Northern District of Illinois,

Northern Division.

American Graphophone Company, Complainant,	}	In Equity. No. 25,186.
vs. Talking Machine Company et al. Defendants.		
American Graphophone Company, Complainant,	}	In Equity. No. 25,187.
vs. Michael Seter, et al. Defendants.		

NOTICE.

Messrs. Munday, Evarts & Adcock, Attorneys for the Defendants, Notice filed June 10, 1899.  
Marquette Building, Chicago.

Gentlemen:—You are hereby notified that the hearing on the motion for preliminary injunction against the defendants in the above entitled causes was this afternoon postponed by his Honor, Judge Kohlsaat, from Thursday, the 8th inst., until 10 o'clock Saturday morning, June 10th, on account of the intended absence of Judge Kohlsaat from Chicago on June 8th.  
Chicago, June 6th, 1899.

POOLE & BROWN,  
Complainant's Solicitors.

Service of the above notice duly acknowledged this 6th day of June, 1899, excepting Seter and Ott.

MUNDAY, EVARTS & ADCOCK,  
Defendants' Solicitors.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.



124

## IN THE UNITED STATES CIRCUIT COURT

For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant,

vs.

Talking Machine Company, Polyphone } No. 25,186.  
Company, Leon F. Douglass and Henry  
B. Babson, }  
Defendants. }State of Illinois, }  
County of Cook, } ss.Affidavit of Leon  
F. Douglass,  
filed June 10, 1899Leon F. Douglass, one of the above named defendants, being  
duly sworn, deposes as follows:

I am thirty years of age; I reside at 77 Lincoln Park Boulevard, Chicago, Illinois. I am engaged in the business of manufacturing and selling duplicate graphophone or phonograph sound records as the licensee of the complainant under the patent sued on in this cause, and all other patents owned or controlled by said complainant relating to the duplication of phonograph sound records. I have been engaged in this business of manufacturing and selling duplicate sound records since July, 1891, with the full knowledge and consent of the complainant and its President, E. D. Easton, and under their license; such manufacture and sale being for and to Mr. Easton's branch company up to August, 1892, and on my own account under personal license to me since that date.

125 I was the originator of the manufacture of duplicate sound records, and the inventor of the apparatus for duplicating sound records, which I now use and which the complainant uses, and I invented the method and apparatus in 1889 at Grand Island, Nebraska, where I was the manager of the Nebraska Telephone Company at that place, and also manager of the Central Nebraska Phonograph Company of the same place.

At Grand Island I built two forms of apparatus embodying my invention for duplicating sound records, one of which employed an air tube connection between the stylus on the master record and the stylus which cuts the duplicate record, and the other of which employed a mechanical connection between these two parts instead of an air tube. With this difference, both forms of the apparatus are

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substantially the same, and both forms were operated by me successfully in an experimental way while still at Grand Island, and I made perfect duplicates on them there.

Affidavit of Leon  
J. Douglass,  
filed June 10, 1899.

I left Grand Island and came to Chicago in 1890, and entered the employ, as superintendent, of the Chicago Central Phonograph Company, which was a licensee branch or offshoot of Mr. E. D. Easton's companies.

When I first came to Chicago I was engaged for a short time in manufacturing and introducing into use for said Chicago Company my automatic coin-controlled phonograph, for which I had obtained a patent, No. 431,883, dated July 8, 1890, after which I took up again the making of duplicate sound records with the same two forms of apparatus which I had previously used in Nebraska. I made in Chicago one duplicating machine of the air connection form and another of the mechanical connection form. And early in 1891 I began the manufacture and sale of duplicate sound 126 records on these machines, the duplicates being made for the

Chicago Company, and I also sold them to Mr. Easton and his Company. My duplicate sound records were extensively advertised and largely sold in 1891. Up to this time nobody had made or sold in this country, to my knowledge, any duplicate sound records, except myself. At this time Mr. Easton and his Companies could only furnish master or original records, at a price of \$2.00 apiece. While by my invention I was able to furnish practically the same thing at the low price of fifty cents each.

Mr. E. D. Easton learned what I was doing, telegraphed to his Chicago agent, Mr. George B. Hoyt, of Chicago, an appointment to see me, and Mr. Easton came from Washington in accordance with that appointment to see me in relation to the duplicating invention in behalf of his companies. At this interview, which was on March 3rd, 1892, Mr. Easton was very anxious to find out how I made these duplicate records, and I declined to inform him, as it was my secret.

After some little endeavor to induce me to disclose my secret method of making duplicate sound records, Mr. Easton produced a number of patents, and especially the Bell & Taintor patent, No. 341,214, sued upon in this cause, and also the Taintor patent No. 341,287, and called my attention especially to the broad claims on the sound record in patent 341,214, and also to claim 4 of the Taintor patent 341,287, which claim 4 reads as follows:

"4. The method of copying sound records by causing the  
" record which is to be copied to impress movements corresponding  
" to the recorded sound waves upon a cutting tool, and thereby en-  
" graving or cutting out a similar record in the surface of a suit-  
" able tablet substantially as described."



Affidavit of Leon  
F. Douglass,  
filed June 10, 1899.

Mr. Easton then said that these patents covered broadly everything in the duplicating art, and that his company owned it. I told him 127 that it looked to me as though that was so; that he owned the patents, but that the machine of the Taintor patent 341,287 could not do the work and was utterly impracticable (which is now a well-known fact); moreover, that he did not know how to do the work and nobody else knew how except me; that if he had the patents I had the practical process and machine and nobody else knew the secret of it; that it was this secret—my knowledge of how to do the thing—which nobody else knew how to do—which I had to trade with him, and nothing else; for I did not have any patents on it and did not know whether or not any could be obtained.

He then became very anxious that I should go to Washington with him and go into the employment of his company there, the American Graphophone Company, the complainant in this case. I went to Washington and was very nicely treated by Mr. Easton. And they were very anxious indeed to find out how to make duplicate sound records. They worked at me continually, seeking to get me to disclose my secret method. On the 12th of March, which was my birthday, I finished the first duplicate sound records that I made in Washington, and they were submitted to the Board of Directors of the Company, or various companies, which Mr. Easton represented. At this meeting of the Board of Directors there were present Mr. Easton, Mr. Payne, Mr. Chichester S. Bell and Mr. Charles Sumner Taintor. I was told that the directors were very much pleased with my invention. Within a day or two I made an agreement with the American Graphophone Company, and the other companies represented by Mr. Easton. I told them I had no patent, and they knew that I had not applied for any, and I did not know that I could ever get one, and told them so. But I had the knowl- 128 edge of how to make sound records, which could be sold at a large profit at fifty cents apiece, and almost, if not quite, as good as the ones which they were compelled to charge two dollars apiece for, and they fully understood this. I agreed to disclose this secret method or process and to show them how to build the apparatus for using it for a royalty of two cents on each duplicate record made by them; I to make application for any patents which they might see fit to pay for at their own expense, and to assign any such patents to them if they were applied for and obtained; they were also to advance me on royalty account One Thousand Dollars, or its equivalent in graphophone machines. This agreement was carried out and the American Graphophone Company sent me \$1000.00 worth of machines in accordance with this agreement. And within a month or two Mr. Easton's other



Company, known as the Columbia Phonograph Company, gave me a check for about \$16.00 on account of royalties. About the time when the agreement was made between us, the American Graphophone Company wrote me a letter, dated March 17th, 1892, signed by the American Graphophone Company by James G. Payne, its President, and E. D. Eaton, its Director of Agencies, and they asked me to sign it also, which I did. On the same day, and at the same time, Mr. Easton wrote me a letter which was dated March 16th, 1892, signed by Mr. Easton, and which he asked me also to sign at the same time, which I did sign on the same day that I signed the other one dated March 17th, 1892. Mr. Easton told me that these two letters would be evidence of the agreement between us. These two letters, evidencing the agreement, I am ready to produce in Court if wanted.

Affidavit of Leon  
F. Douglass,  
filed June 10, 1892.

129 As carrying out this agreement about this time, March 1892,

Mr. Easton and his companies had their attorney prepare an application for patent for me to sign on the air tube connection form of my duplicating apparatus, and I signed the same and the patent thereon was soon thereafter granted and duly assigned by me to Mr. Easton and by him assigned to his company, the American Graphophone Company; for some reason Mr. Easton and his company did not at this time prepare and have me sign the patent application on the other form, the mechanical connection form, of my duplicating apparatus, although they did so prepare the other application and have me sign and file it later.

In July, 1892, I came back to Chicago. When I left Washington Mr. Easton, for the American Graphophone Company, voluntarily gave me a letter stating, "Your duplicating process has been successfully applied to the graphophone, and this company has contracted with you for the right to its use hereafter on payment of a royalty." This letter is dated July 15, 1892, and I have it ready to produce in Court, if wanted. Before I left Washington, however, I made an agreement with the American Graphophone Company and the Columbia Phonograph Company through Mr. Easton; I agreed to buy of them at least 50 master or original records per month, and I was then to have the privilege for my own account to make as many duplicates from these originals as I wished, or until they were worn out. By September, 1892, I had built a machine with some improvements and had it running and was making duplicates. And I sent samples of those duplicates to Mr. Easton's companies through him, and told him about the improvements, which I believe they adopted in my duplicating machines which they had.

130 I visited Washington every three or four months up to January, 1895, to see Mr. Easton and his companies, and keep



Affidavit of Leon  
F. Douglass,  
filed June 10, 1899.

them continually informed of what I was doing in the way of improvements on the duplicating machines, and concerning the success of the duplicate records.

In the fall of 1893, after the World's Fair, my friend, Mr. Charles Dickinson, the seed merchant of Chicago, was willing to back me up with some capital, and I went into business of handling talking machines.

In December, 1894, I visited Mr. Easton in Washington, and told him of some improvements on the duplicating machine I had made, and to which his companies were entitled under my agreement. He asked me to make one of the improved machines for his companies, as his companies would like to go into the duplicating business more extensively. And while I was in Washington he asked me to modify the agreement which I had made with his companies. He stated that they thought of going more extensively into the business of making duplicate sound records, and asked me to waive the royalty of two cents per record, and stated that if I would waive this royalty to his companies they would give me a permanent permit or license without any conditions as to the purchase of master records from them to manufacture and sell as many duplicates as I saw fit. I thought this was a better arrangement in some respects than the one we were working under then, and therefore consented. Thereupon Mr. Easton wrote me a letter dated January 3, 1895, which he said would evidence the modification of the contract between his companies and myself, and that its effect was to give me the unrestricted right to make and sell duplicate sound records. I have this letter signed by Mr. Easton, ready to produce in Court, if wanted.

The application for a patent referred to in this letter is my application and my patent for the two forms of duplicating machine. I have a copy of my said application, and also a copy of my said patent, ready to produce in Court if wanted.

In view of this modification of the contract, I decided to increase my capacity for making duplicate records, and started at once to build the machine for Mr. Easton's companies, and also three or four for myself. I wrote to Mr. Easton on January 19th, 1895, asking him to send me some parts to be used in these machines. On January 25th, 1895, Mr. Easton wrote me a letter asking, "How is our duplicate apparatus getting along?" I have this letter to produce in Court. On January 29th, 1895, The American Graphophone Company, by Mr. Easton, wrote me that they had sent the parts. (Note: This letter by mistake is dated 1894 instead of 1895). I have this letter to produce in Court. On March 25th, 1895, the American Graphophone Company, by Mr. Easton,

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acknowledged the receipt of the duplicating machine I made for them. I have this letter to produce in Court.

Affidavit of Leon  
F. Douglass,  
filed June 10, 1899.

Before I had finished the machine for Mr. Easton's companies, he came out to Chicago and came to my house to see it, and he saw at my house this machine that I was building for his companies, also the machines that I was building for myself, and the machines that I was using and had been using up to that time in manufacturing duplicate records under our previous agreement, and was then using under our modified agreement.

I have spoken of building duplicating machines. I do not mean by this that I built the entire machine. My improvement is in the form of an attachment to the ordinary Edison phonograph and in building my duplicating machines I have changed or added to regular machines or parts thereof procured from the complainant or its licensed manufacturers.

132 Since my license, the American Graphophone Company, the Columbia Phonograph Company, Mr. Easton, who is president of the American Graphophone Company and also President of the Columbia Company; Mr. R. F. Cromeline, who is vice President of the two companies, and Mr. Mervil Lyle, who is also a Vice President of the American Graphophone Company, have all been fully aware that I have been engaged in the business of making and selling duplicate sound records under my license from them. Cromelin and Easton have been at my house where I made these records, and Lyle has been with Easton at my place of business on Madison Street, where I make them. And Easton has been in my place of manufacture, 107 Madison street, many times, and has seen my employees making the duplicate records. And they have all known that I have invested my money in this business, and Easton and others of them have personally encouraged me to proceed in it, and have seemed glad that I was making money out of it.

Since the modification in the contract, dated January 3, 1895, neither Mr. Easton nor the Columbia Phonograph, nor the American Graphophone Company, have ever paid me for or rendered me any account of the number of duplicate records made by them, or either of them. Nor have I demanded of them any accounting, nor asked for any payment on account of the two cents royalty for duplicate records. At this time, if these companies and Mr. Easton should pay me two cents for each duplicate sound record which they have made by means of the method I have disclosed to them, the amount would exceed at the lowest estimate a half million dollars. They claim that they now make 20,000 duplicate records per day, and this would be \$400.00 per day to me by way of royalty, or about \$120,000 per annum. But the fact is that I have al-



Affidavit of Leon  
F. Douglass,  
filed June 10, 1899.

133 ways acted, the American Graphophone Company, the Columbia Phonograph Company and Mr. Easton and all his companies have also always acted, from the date of the modification of the contract up to the beginning of this suit, in perfect accord with the understanding that I have a free license to manufacture and sell duplicate sound records.

It will be remembered that I made an application for a patent on each of my two forms of duplicating machines, one having the air tube connection and the other a mechanical connection, and that I attached to this affidavit a copy of the patent which was granted on the air connection form, and a copy of the application for a patent on the mechanical connection form of the machine. The complainant's lawyers, acting for Mr. Easton's companies, Messrs. Pollock and Mauro and Mr. Ritter, prepared these two applications. The application on the air connection form was executed by me about the same time as the two letters or agreements, dated March 16th and 17th, 1892. At that time I told Mr. Easton that I thought they had better file an application on the other form. But for some reason he delayed doing it until in 1895, although I spoke to him about it and told him he ought to do it in the interest of his companies, as I had got both of the forms up in 1889 while I was at Grand Island, and that one was quite as good as the other.

As to my co-defendant, the Talking Machine Company, I am not an officer nor a director of this Company, but I am familiar with its business. This Company has never made any duplicate sound records. Its business is the handling and sale of graphophones, phonographs and supplies, which it purchases of duly authorized manufacturers, namely: the Columbia Phonograph Company and the Edison or National Phonograph Company.

It has purchased some duplicate sound records of me, which I have made under the license above mentioned. The Talking Machine Company is in no wise interested in, nor connected with, my business of manufacturing and selling duplicate sound records. I sell to this Company just the same as I sell to others, and not otherwise.

As to my co-defendant Henry B. Babson, I know Mr. Babson very well, and I know that personally he has not made any duplicate sound records; has no apparatus for making such records and has no interest in any apparatus that I know of. He has no interest whatever in my business of manufacturing duplicate sound records, and no interest in the license which I own. Indeed, nobody has any interest in my business or license except myself. Mr. Babson has personally never bought any duplicate sound records that I know of.

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As to my co-defendant, the Polyphone Company, Mr. Dickinson, of Chicago, is President and I am Vice President of this Company. This Company handles what is known as the polyphone, of which I am the inventor and patentee. This machine is an ordinary talking machine such as is manufactured and sold by the complainant company and its licensee, the National Phonograph Company, except that it is provided with two reproducers instead of one. I discovered that the sound could be very considerably augmented by duplicating the reproducers on the instrument so that the stylus of the one reproducer would follow in the groove of the sound record at a considerable distance from the other. I discovered, quite contrary to what might be expected, that the quality and character of the tone would not be interfered with, but that the volume would be more than doubled. The Polyphone Company, in making 135 this machine, buys an ordinary talking machine of Mr. Easton's companies, and an extra reproducer with the machine. And all that the Polyphone Company does is to mount the extra reproducer on the machine. The Polyphone Company does not manufacture, and has never manufactured, any duplicate sound records, or sound records of any kind. It has bought no duplicate sound records of me. The Polyphone Company has no interest whatever in my business of manufacturing and selling duplicate sound records.

Affidavit of Leon  
F. Douglass,  
Filed June 10, 1899.

I personally, myself, employ Mr. Leachman, and he works for me alone. He is a singer. And he makes his own master records in the usual way on an Edison phonograph, and on blanks bought of Mr. Easton's companies, or their licensee, the National Phonograph Company. And to fill in his time he makes duplicates for me of his own master records. The duplicating machines he uses are my property. Indeed, I know of nobody in the City of Chicago, except myself and my employees, paid by me and working for me, who are engaged in making duplicate sound records, outside of the Columbia Phonograph Company, who are now using in this city one of my machines which I sold to the American Graphophone Company, the complainant, in 1897. And I do not believe there is anybody doing so.

In conclusion, and as explaining what seems to me the extraordinary conduct of Mr. Easton and his companies in bringing this and the other suit against me, and asking the extraordinary relief of a preliminary injunction and the seizing of my machinery, I ought perhaps to state some things which have recently taken place. A long time ago—just when I am advised by my counsel not to disclose, as it might jeopardize my rights in the Patent Office, I  
136 invented a very important improvement in talking machines. Up to the time of my invention it had been supposed that the



Affidavit of Leon  
F. Douglass,  
filed June 10, 1899.

loudness of the sound waves produced depended entirely upon the depth of the undulations in the bottom of the sound groove of the record. This I discovered is not true. I demonstrated that the distance from crest to crest of the sound waves, and the surface speed of motion of the cylinder, was the measure or important feature upon which the loudness depended. This is my invention. I have built machines at different times containing this invention for experimental purposes, and to demonstrate the invention I explained this invention and its principle to Mr. E. D. Easton many months ago. Some months after I explained it to him, he caused one of his employees, by the name of Macdonald, to file an application in the Patent Office, claiming this invention of mine as his own, and, as I am informed and believe, to assign the same to Easton's companies. And an interference is now about to be declared between my application and that of said Macdonald. And Easton has sent his attorneys, and other persons have been repeatedly to see me, to arrange a settlement or to get me to state my dates. And their attorneys have written to my attorneys to the same effect. Mr. Easton himself came to Chicago to see me about the matter. But I sent Mr. Easton word that I would not talk to him about it except in the presence of my attorneys. I believe this made Mr. Easton very angry, because he could not control me in this matter, as my invention, above referred to and known as the Concert Phonograph or Graphophone Grand, and which can be readily heard a block away, is regarded as an invention of the utmost value and importance. Mr. Easton's companies, and also 137 the National Phonograph Company, its licensee, are making these machines and selling large numbers of them with my invention and without my consent. While the ordinary phonograph or graphophone sells for from \$5.00 to \$25.00, these improved instruments, which cost very little more to make, have been bringing in the market from \$100.00 to \$300.00 apiece. And I am informed that the factories are months behind in their orders for them. Mr. Easton very well knows that I am the inventor of this machine in which he is so deeply interested, and the patent for which he is now trying to deprive me of. And I have no doubt that this suit brought collectively against me and others with whom I have business relations is solely for the purpose of breaking me down in my business in order to prevent me from fighting the interference in the Patent Office, and with a view of forcing me to a settlement on Mr. Easton's own terms.

In making the duplicate sound records which I have manufactured for sale, I have always used what are known as phonograph or sound record blanks; a hollow cylindrical body made of wax-like



material called lead soap. This sound record blank is patented by the complainant and is the same thing as is always used for making sound records. They are sold freely on the market by the complainant or its licensees, the Columbia Phonograph Company and the National Phonograph Company, or the Edison Company, as the latter is sometimes called. And I have always bought my blanks of these concerns and of nobody else, and they have always sold the same to me freely. Although those phonogram or sound record blanks are patented in the complainant's patent sued upon in this case, and other patents, those blanks have never been marked "patented" nor the packages in which they are sold.

Affidavit of Leon  
F. Douglass,  
filed June 10, 1899

138 It is true, as Mr. Easton states in his affidavit, that "All practical duplicating machines are constructed on the same general plan and operate on the same principle," and the duplicating machine which he describes in his affidavit as being used by the complainant Company, as well as by me, is the same machine which I invented and built in 1881, in Grand Island, Nebraska, and afterwards built another of in Chicago in 1890, and afterwards built still another of in Washington in 1892, and which I disclosed to Mr. Easton and the complainant Company in consideration of their agreements with me.

Referring to Mr. Easton's affidavit, it is true that for some years prior to 1897 I was the Manager of the Chicago Talking Machine Company. This Company, whose affairs were wound up in 1897, and whose corporate existence has since been ended, was engaged in the business of dealing in talking machines and talking machine supplies manufactured by the complainant and its authorized manufacturers. In April, 1897, this Company agreed with the American Graphophone Company to wind up its affairs and said Company has done so. At the time of this agreement the Columbia Phonograph Company engaged me to enter their employ as Manager of the Columbia Phonograph Agency of Chicago, and in August, 1897, I so entered their employ, at a compensation amounting to about \$6,000 per year.

At the time the Chicago Talking Machine Company made this agreement to wind up its affairs, on April 17, 1897, Mr. Easton came to Chicago a few days afterwards and bought of me five of my duplicating machines which I had been using under my license from the American Graphophone Company up to that time in making duplicate records for sale.

139 I at this time sold these duplicating machines to the American Graphophone Company because I had agreed to enter the employ of their selling agency company and could not give my personal attention to the business of making duplicate sound records



Affidavit of Leon  
F. Douglass.  
Filed June 10, 1899.

under my license. I however, at this time did not sell to the American Graphophone Company, or give up my license to make duplicate records. And the American Graphophone Company paid me at this time, on or about April 27, 1897, \$250, for these five duplicating machines, payment being made in preferred stock of the American Graphophone Company. At the time of this purchase of my five duplicating machines, the American Graphophone Company and its President, Mr. Easton, well know that I had a license to make and sell duplicate sound records, that I had been exercising that license for years and that I did not sell it, surrender it or give it up.

I remained in the employ of the Columbia Phonograph Company, as Manager of the selling agency at Chicago, until March 1, 1898, after which I entered the employ of the American Graphophone Company, and remained in their employ until October 1, 1898, when I left their employ for the purpose of starting in the business of manufacturing duplicate sound records under my license, with the full knowledge and consent of the American Graphophone Company and Mr. Easton, its president.

In April, 1897, about the time when the Chicago Talking Machine Company made this agreement with the American Graphophone Company to wind up its affairs and I agreed to enter the employ of the Columbia Phonograph Company, Mr. E. D. Easton admitted and acknowledged to Mr. Charles Easton and myself the existence of this license from the American Graphophone Company to me, and asked me to sign a paper stating or acknowledging that the license or authority granted me by the American Graphophone Company had expired. I flatly refused to sign the paper.

In the Spring of 1898, while I was in the employ of the American Graphophone Company, that Company had a suit against the Western Phonograph Company, in which they desired my testimony concerning some matters, in the form of an affidavit. They prepared an affidavit for me to sign, which was presented to me by Mr. Brown, of Messrs. Poole & Brown, their attorneys, of this City. This affidavit contained the statement that the American Graphophone Company had not granted a license to any one except the National Phonograph Company, for making duplicate sound records under its patents. I reminded Mr. Brown that this was not true—that I had a license to manufacture duplicate sound records. He corrected the affidavit in this respect and I then signed it.

As I stated before, the sound record blanks which I have used in making my duplicate sound records, I have in every instance purchased from the complainant or its regular licensed manufacturers

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directly or indirectly. For a year or two I have purchased many of my blanks directly or indirectly from the National Phonograph Company, which company is licensed by the complainant to manufacture and sell these blanks under the patent sued upon, and other patents owned by the complainant. And the National Phonograph Company sells blanks to me and to others absolutely without any restriction as to how they shall be used. If any restriction upon the use of these blanks was intended, it would be easy to put a label on the package or on the blank, or its wrapper, giving notice to the purchaser of such restriction. But there is not, nor has there 141 ever been such label, notice or notification of any kind upon or about the blanks or their packages or wrappers. Moreover I have been assured by Mr. Gilmore, the manager of the National Phonograph Company, that no restriction is intended to be placed upon the use of these record blanks; on the contrary that the National Phonograph Company is glad to have as many sold and used as possible, and that said company is entirely indifferent as to the manner of their use, whether for making original sound records or duplicates. The National Phonograph Company has been, to my knowledge, so engaged in manufacturing and selling these sound record blanks for a number of years. And the complainant itself also sells similar sound record blanks without any notice or restriction as to their method of use, and has been doing so for a number of years. It has sold these blanks to me with the full knowledge and understanding that I intended to use them in making duplicate sound records. And the National Phonograph Company has sold me thousands of these sound record blanks, knowing that I was engaged in making duplicate sound records, and knowing that I bought the blanks for that purpose. And, during the past week, the manager of the National Phonograph Company, Mr. Gilmore, has offered to sell me, and stated that he would continue to sell me as many of these sound record blanks as I might need for the purpose of cutting or writing duplicate sound records on them, and that they were sold without any restriction, and that he and his company had no objection whatever to my using them for making duplicates.

In connection with my statement that the sound record blanks which I use and have been using in making my duplicate sound records, are patented in the letters patent sued upon and in other patents belonging to the complainant, it should be explained that what 142 I meant by this is that the National Phonograph Company is licensed under the patent sued upon to make and sell these blanks, and that claim 13 of the patent sued upon is supposed

Affidavit of Leon  
F. Douglass,  
filed June 10, 1899



92 *Agreement between Leon F. Douglass and E. D. Easton.*

Affidavit of Leon  
F. Douglass, filed  
June 10, 1899.

by the complainant to be broad enough to cover these sound record blanks which are made of a hard, brittle material called "lead soap." The sound record blanks which I use are in fact the invention of Thomas A. Edison, and are patented to him. The complainant itself could not make and sell those sound record blanks without a license under Mr. Edison's patents. The fact is that the sound record blank or tablet shown and described in the patent sued upon, and made of wax, or wax-like material, is, and has proven to be of no value whatever and utterly impracticable. And it could not be used commercially for making duplicate records. To make a practicable duplicate sound record, a wax-like material cannot be employed. It is essential for this purpose to employ a hard, brittle, metal-like substance, such for example as lead, soap, or metallic soap, of which the Edison sound records are made, and which I use and always have used. On account of the utter worthlessness and impracticability of the sound record tablet or blank shown and described in the complainant's patent sued upon, and its absolute incapability of practical commercial use in making duplicate sound records, the complainant would and could suffer no damage from its use, if any one could be hired to use it. The fact is no one now uses it, or has for years past attempted to use a sound record blank composed of wax or a wax-like material, such as shown and described in complainant's patent.

For convenience I append hereto a copy of the letters of agreement dated March 16th and 17th, 1892, and the one dated January 3, 1895; also a copy of my application for a patent, which is 143 referred to in said letter as "pending." It is the machine described in this application which I am using and have used to make the duplicate sound records complained of in this suit.

(Signed) LEON F. DOUGLASS.

Subscribed and sworn to before me this 9th day of June, 1899.

H. M. MUNDAY,

(Seal.)

Notary Public.

144

Copy.

Washington, D. C., March 16th, 1892.

Leon F. Douglass and E. D. Easton hereby agree as follows:

Douglass is the inventor or discoverer of a process, now secret, for duplicating musical and other records on phonograph and graphophone cylinders; and Easton desires to obtain complete ownership and control of said process.

Douglass sells, transfers and assigns to Easton all his right, title and interest in said process; and agrees to improve said process by every means in his power and to furnish improvements to Easton without cost for Douglass' services.

Agreement, filed  
June 10, 1899.

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Douglass further agrees that he will use all efforts to secure patents on the process and improvements; and that he will assign to Easton, any patents he may procure; provided that the cost of taking out patents shall be paid by said Easton, Easton to be reimbursed by Douglass, out of royalties hereinafter provided in case Easton shall advance money for applications which shall be rejected.

Agreement, filed  
June 10, 1899.

Douglass further agrees that pending question of obtaining patents he will not communicate this process to any other persons than those authorized by Easton, nor permit others to use it if in his power to prevent.

In consideration of the performance by Douglass of all the undertakings in this agreement, Easton agrees to pay Douglass a royalty of two (2) cents per cylinder on each phonograph record made by this process and used or sold.

All of Douglass' unfilled orders for records are to be filled by Easton under this agreement.

Douglass and Easton agree to execute such further agreements as may be necessary to secure to Easton a complete monopoly of the process of Douglass, and to Douglass the royalty above specified.

(Signed) LEON F. DOUGLASS (Seal)  
E. D. EASTON. (Seal)

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.

145 Copy.

"Form 1. All business letters should be addressed to the Company.

James G. Payne,  
Pres't and Gen'l Maa.

Chas. J. Bell,  
V.-Pres't and Treas.

Jas. A. Bates,  
Secretary.

Edw. D. Easton,  
Director of Agencies.

Directors:

Jas. G. Payne,  
Chas. J. Bell,  
Jas. A. Bates,  
Edw. D. Easton,  
Andrew Devine,  
John H. White,  
R. O. Holtzman,  
Sam'l M. Bryan,  
Chas. S. Taintor.

AMERICAN GRAPOPHONE COMPANY,  
Fleming Building.

Washington, D. C. March 17th, 1892.

Agreement, filed  
June 10, 1899.

The American Graphophone Company and Leon F. Douglass hereby agree as follows:

Douglass is the inventor or discoverer of a process, now secret,



Agreement, filed  
June 10, 1899.

for duplicating musical and other records on graphophone cylinders, and the American Graphophone Company desires to use this process in its business.

Douglass agrees to disclose to James G. Payne, President and E. D. Easton, Director of Agencies, of the American Graphophone Company his method of making duplicate graphophone records, on receipt by Douglass of a written undertaking from Payne and Easton that they will not communicate the process to others without the authority of Douglass.

Douglass agrees to procure at the expense of the American Graphophone Company all apparatus that may be needed and to give the use of the same to the Company on the following terms:

Douglass to receive a royalty of two cents per cylinder on all perfect cylinders made by his process and sold or used.

The American Graphophone Company to deliver to Douglass as soon as the same can be spared without prejudice to other demands, five complete nickel in the slot graphophones; and at a later date, but within a reasonable time, five additional nickel in the slot graphophones complete, a total of ten. These machines shall be billed to Douglass at one hundred dollars each, a total of one thousand dollars. Should the amount of royalties due Douglass as hereinbefore mentioned never reach one thousand dollars, he shall nevertheless be entitled to the full possession and ownership of said machines. After royalty in excess of one thousand dollars has accrued to Douglass the amount so in excess shall be paid him in cash, monthly or otherwise, as may hereinafter be arranged.

Douglass shall have access to the records of the company for the purpose of verifying amount of royalty due; and Douglass and the American Graphophone Company hereby agree to execute any further agreement that may be necessary in the premises.

AMERICAN GRAPHOPHONE COMPANY,

By JAMES G. PAYNE,  
President.

E. D. EASTON,  
Director of Agencies.

LEON F. DOUGLASS.

Witness:

ANDREW DEVINE,

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.



166

Copy:

"Baltimore Office

110 E. Baltimore Street.

Long Distance Telephone 1172.

Cable Address "Colpho."

COLUMBIA PHONOGRAPH CO.

Under authority of the North American

Phonograph Co. and the American Graphophone Co.,

Perfected Graphophones,

Edison Phonographs,

Musical Records,

Clockwork Motors, and

Supplies for Graphophones and Phonographs.

919 Pennsylvania Avenue,

Washington, D. C.

Sole Agents

In Md., and Dist. of Col.

For the Densmore Typewriter.

Edward B. Easton, President.

W. H. Smith, V. Pres. & Treas.

B. F. Cromelin, Secretary.

F. Dorian, Manager.

Jan. 3-95.

Mr. Leon F. Douglass,

No. 98 Madison Street,

Chicago, Ills.

Dear Sir:—

Referring to our contract of March 16th, 1892, this is to evidence a modification of said contract as follows:

Modification of  
contract, filed  
June 10, 1899.

Application is now pending for a patent for an improvement in your process for duplicating, and you have assigned the same to me before issue.

You are hereby licensed under the patent already issued, and are authorized to use the process covered by the pending application, in such way, personally, as you please, the consideration to me being a waiver of the royalty of two cents per cylinder specified in your contract with me of March 16th, 1892.

It is understood that this is a personal license; that it is not assignable, nor salable; but that you may make, for sale, as many phonograph records as you please under this license.

The above is not intended to, in any way, modify or affect any agreement you may have with the American Graphophone Company.

Yours truly,

(Signed) E. D. EASTON."

(Endorsed) Filed, June 10, 1899.

S. W. BURNHAM, Clerk.



*Letter.*

Copy.

Letter, filed June  
10, 1899.

147

Form 1.

All business letters should be addressed to the Company.

James G. Payne,  
Pres't. and Gen'l Man.  
Chas. J. Bell,  
V.-Pres't and Treas.

James A. Bates,  
Secretary.  
Edw. D. Easton,  
Director of Agencies.

Directors.

James G. Payne,  
Chas. J. Bell,  
Jas. A. Bates,  
Edw. D. Easton,  
Andrew Devine,  
John H. White.  
R. O. Holtzman,  
Sam'l M. Bryan,  
Chas. S. Taintor.

## AMERICAN GRAPHOPHONE COMPANY.

Fleming Building,  
Washington, D. C., .....189

July 15, 1892.

Mr. Leon F. Douglass, Washington, D. C. :

Dear Sir—You entered the service of this company in March last, at my solicitation, with a guarantee of at least a year's employment.

You now retire of your own accord in order to be near your parents and friends. We have found your services thoroughly satisfactory and part with you regretfully and with best wishes.

Your duplicating process has been successfully applied to the graphophone and this company has contracted with you for the right to its use hereafter on payment of a royalty.

Not only has your work been well done, but your deportment has been such as to win our respect and esteem.

Yours very truly,

(Signed) E. D. EASTON,  
Director of Agencies.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.



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Copy.

Chas. J. Bell,  
President and Treasurer.

Edward D. Easton,  
Vice-President, General Manager  
and Secretary."

Factory  
Bridgeport, Conn.  
American Graphophone.

Directors:

Chas. J. Bell,	Wm. B. Bond,
Gardiner G. Hubbard,	R. O. Holtzman,
Chas. S. Taintor,	Jas. A. Bates,
Edward D. Easton,	John J. Phelps,
Frank L. Hall.	

Principal Office 919 Penna. Ave.

Dictating to the Graphophone. Transcribing from the Graphophone.  
Washington, D. C., March 25, 1895.

My dear Mr. Douglass:—

Yours of March 22nd and March 23rd received, and read with a  
great deal of interest.

The duplicating machine has arrived. We shall set it up and  
test it very shortly, and will then write you. It certainly looks  
like a simple and efficient machine.

\* \* \* \* \*

(Signed) E. D. EASTON."

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.

Letter, filed June  
10, 1899.

149 Amount received, \$15.  
Chief Clerk.

Petition.

To the Commissioner of Patents:

Your petitioner, Leon F. Douglass resident of Chicago, in the  
State of Illinois, prays that Letters-Patent of the United States  
may be granted to him for the Improvement in the Duplication of  
Sound Records set forth in the annexed specification; and he hereby  
appoints Anthony Pollok, Esq., and Philip Mauro, Esq., (compos-  
ing the firm of Pollok & Mauro), of the City of Washington, in the  
District of Columbia, his attorneys, with full power of substitution  
and revocation, to prosecute this application, to make alterations

Petition, filed  
June 10, 1899.



Petition, filed  
June 10, 1899

and amendments therein, to receive the patent, and to transact all business in the Patent Office connected therewith.

LEON F. DOUGLASS.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.

Specification, filed  
June 10, 1899.

To all whom it may concern:

Be it known that I, Leon F. Douglass, a resident of Chicago in the State of Illinois have invented a new and useful improvements in the duplication of Sound Records, which improvement is fully set forth in the following specification:

151 This invention has reference to the duplication of sound records and has for its object to produce with rapidity and economy accurate fac-similes of an original phonographic record.

In Letters-patent No. 475,490 granted to me May 24, 1892, is described a method of producing sound records from an original or master record, which method consists generally in delivering the sound waves set up by the reproducing diaphragm to a second diaphragm carrying a recording stylus, causing the latter to copy the movements of the reproducing diaphragm, and to cut or engrave upon a suitable blank or cylinder a copy of the original record. More specifically the said method consisted in employing a body of confined air as the medium of communication between the two diaphragms.

According to the present invention the reproducing and record styles are directly connected by mechanical means, being so mounted and supported that the latter follows or copies the movements of the former, and the invention consists broadly in the combination of the two styles with supporting devices and connections whereby the result above stated is accomplished.

In carrying out this invention many different forms of mechanical connections, such as links, levers etc., may be employed to transmit the movement of the reproducing stylus to the recording stylus, so that the latter is positively controlled by the former and I do not limit myself to any particular arrangement of mechanism.

In order, however, that the principle of invention may be fully understood, I will describe the best means now known to me of  
152 applying the same in practice, reference being had to the accompanying drawings, in which Fig. 1 represents in side elevation one form of duplicating mechanism which I have found efficient in actual use, and Fig. 2 represents a similar view of a modification

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A represents an original or master record, and B the blank on which a duplicate is to be made, both being supported and rotated by the usual or any suitable means. C is the arm or carriage supporting the duplicating mechanism, which arm or carriage has a slow longitudinal movement, as well understood. The reproducing point or stylus *a* is of any approved construction. As shown it is carried by a lever *b*, pivoted to an arm *c*, which in turn is pivoted to an upright support *d* attached to the arm or carriage C. An adjustable counterweight D is provided for arm *c*, tending to press the point of stylus *a* against the record with yielding pressure.

Specification, filed  
June 10, 1899.

The recording stylus *f* is also carried by a pivoted lever *g*, the rear end of which is directly connected by a link *h*, which may be a fine wire, with the end of the lever *b* of the reproducing stylus. The lever *g* is pivoted to a support *k* attached to the pivoted weighted arm *m*, so that the recording stylus also bears on the record with yielding pressure. The details of the mounting of the two styles are of known construction, except that the weighted support of the reproducer usually bears downward upon the record, whereas in the construction shown this support is prolonged beyond its pivot and provided with a counterweight, so that the reproducing stylus is pressed upwardly. These details may be modified

within wide limits, since it will be obvious to persons familiar with the different known forms of recording and reproducing mechanism, that any suitable types of such mechanisms may be used in carrying out the present invention.

By reason of the mechanical connection of the styles *a* and *f* the latter follows all the movements of the former, and consequently cuts or engraves in the recording tablet or blank B a groove of varying depth, having elevations and depressions corresponding in form with those of the master record A.

With the stylus connected as shown in Fig. 1, the record on tablet B will be the counterpart of that on tablet A, that is to say will have elevations where the former has depressions and vice versa. In other words, if the sound record be graphically represented by the corresponding undulatory line, the record on A will represent one side of this line, and that on B the opposite side. It is, however, obvious, that in reproduction the two records will set up the same sound waves, since the reproducing diaphragm is, in either case, caused to follow the undulatory line which graphically represents the succession of sound waves which produced the original or master record.

It will be observed that in the duplicating mechanism herein described the usual diaphragms are dispensed with, as their presence is unnecessary.



Specification, filed  
June 10, 1899.

By the mechanism shown in Fig. 2 a fac simile, as distinguished from a counterpart of the master record is produced. In that case, the lever *b* is omitted and the reproducer *a* carried directly by the counter weighted arm *c*. Lever *g* of recording style *f* is connected by a link *h* with the arm *c* on that side of 154 the fulcum which carries the point *a*. Consequently when the latter enters a depression of the record, style *f* is pressed further into its recording tablet and cuts a corresponding depression.

In other respects the two mechanisms are alike.

In both the counterweight *D* is an important adjunct, as it affords a convenient means of regulating the pressure of the reproducing point upon the record.

155 Having now described my said invention, what I claim and desire to secure by Letters Patent is:

## 1.

An apparatus for duplicating or copying sound records comprising in combination a reproducing and a recording stylus mounted so as to be capable of free vibration, and mechanically connected together, substantially as described.

## 2.

The combination of a reproducing stylus mounted so as to be capable of free vibration, means for holding the same in contact with a record with yielding pressure a vibratory recording stylus and a mechanical connection between the reproducing and the recording stylus communicating the movements of the former to the latter, substantially as described.

## 3.

The combination of a reproducing stylus supported on a pivoted arm, a counter weight holding the point of the stylus against the record with yielding pressure and a vibratory recording stylus mechanically connected with said reproducing stylus, substantially as described.

## 4.

The combination of a reproducing stylus supported on a pivoted arm, a weight pressing the point of the stylus against the record, a

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vibratory recording stylus mechanically connected with said reproducing stylus, and a weighted arm causing the recording stylus to bear upon the record with yielding pressure substantially as described.

Specification filed  
June 10, 1892.

156 In testimony whereof I have signed this specification in the presence of two subscribing witnesses.

LEON E. DOUGLASS.

PHILIP MAURO, }  
REEVE LEWIS, } Witnesses.

157

OATH.

District of } ss.  
Columbia. }

Leon E. Douglass, the above named petitioner, a citizen of the United States and resident of Chicago, Illinois, being duly sworn, deposes and says that he verily believes himself to be the original, first and sole inventor of the improvement in the Duplication of Sound Records, described and claimed in the foregoing specification, that the same has not been patented to him, or to others with his knowledge or consent, in any country; that the same has not to his knowledge been in public use or on sale in the United States for more than two years prior to this application, and that he does not know and does not believe that the same was ever known or used prior to his invention thereof.

LEON E. DOUGLASS.

Sworn to and subscribed before me this 3rd day of January, 1895.

(Notarial Seal)

PHILIP MAURO,  
Notary Public, D. C.

158

PATENT OFFICE LETTER.

Room 256.

Department of the Interior.  
United States Patent Office  
Washington, D. C., Feb. 16, 1895.  
Mailed " " "

J. P. H.

Leon E. Douglass, }  
Care Pollok & Mauro, }  
City. }

Subject: Duplication of Sound  
Recorders.

Filed Jan. 21, 1895. No. 535,698.

Please find below a communication from the Examiner in charge of the application above noted.

JOHN S. SEYMOUR,  
Commissioner of Patents.



102

*Specification.*

Specification filed  
June 10, 1899.

The claims are all rejected upon the patent to Bettini, No. 488,  
381, December 20, 1892, Acoustics, Graphophones.

A. P. GREELEY,  
Ex'r.

M. A. C.

159

PATENT OFFICE LETTER.

Room No. 217.

Department of the Interior.  
United States Patent Office,

J. P. H.

Washington, D. C., October 21, 1895.  
Mailed " " "

Leon F. Douglass,  
Care of Lollok & Mauro,  
City.

Please find a communication from the Examiner in charge of your  
application for Duplication of Sound Records, filed Jan. 21, 1895,  
serial number 535,698.

JOHN S. SEYMOUR,  
Commissioner of Patents.

In compliance with Rule 65 as amended February 14, 1895, this  
application has been re-examined, and the last official action is re-  
peated as a final rejection.

W. B. H.

D. G. PURMAN,  
1st Asst. Ex'r.

160 (Serial Number,) 535,698

1895.

Div. 23  
(Ex'r's Book,) 89

Patent No.

75

Leon F. Douglass  
Assor to Edward D. Easton,  
of Washington, D. C.

Of  
County of  
State of  
Invention

Chicago

Illinois

Duplication of Sound Records.

Parts of application filed—

Petition	Jan. 21, 1895
Affidavit	" " "
Specification	" " "
Drawing	" " "
Model	
Print	

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*Specification.*

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Specimen  
First Fee Cash \$15. Jan. 21, 1895.  
" " Cert.

Specification filed  
June 10, 1899.

App. Filed Complete Jan. 21, 95

Examined	
Countersigned :	For Commissioner.
Notice of Allowance	, 189 .
Final Fee Cash	, 189 .
" " Cert.	, 189 .
Patented	, 189 .

Pollok & Mauro  
City.

Div. xxiii.

161 1895.  
Contents.

- 1/2 Application paper.
1. Rejection Feby. 16, 1895.
2. Rej. Oct. 21, 1895.
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181. Acoustics,  
Graphophones.

Improvement in Title.  
(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.



For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant.

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass and Henry  
B. Babson, } No. 25,186.  
Defendants. }State of Illinois, }  
County of Cook. } ss.Affidavit of Leon  
F. Douglass,  
filed June 10,  
1899.Leon F. Douglass, one of the above named defendants, being first  
duly sworn, deposes and says:I am 30 years of age, and I reside at No. 77 Lincoln Park Boule-  
vard, Chicago, Illinois.I know E. D. Easton, the complainant company, the Talking Ma-  
chine Company, Henry B. Babson and the Polyphone Company, of  
which latter company I am Vice President.I know of my own knowledge that neither the Talking Machine  
Company, the Polyphone Company nor Henry B. Babson, have ever  
had, owned or used any duplicating machines of any kind, or have  
ever made any duplicate sound records. If the complainant's affi-  
davits are intended to convey any such innuendo or suspicion they are  
entirely wrong and mistaken.I, individually, have and have had for a number of years, a license  
from the complainant to make and sell duplicate sound records, and  
I, individually, do make, use and sell them, but have never made  
and sold them otherwise than in my individual capacity and  
163 under my individual license.The few duplicate sound records referred to in complainant's  
affidavits, and some of which are made exhibits in this case, were  
made by me, by workmen in my individual employ, hired and paid  
for by me individually, and on duplicating material individually  
owned and controlled by me.The duplicating machines seized by the Marshall in this case are,  
and have always, been my individual property, and never were used  
by any of my co-defendants, or by any one, except myself and  
my own individual employees.

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In exercising my license right from the complainant to make and sell duplicate sound records, I have always written or cut the duplicate upon the regular patented sound record blanks or cylinders manufactured by the complainant or its licensed manufacturers and procured of it or its agents or dealers. These sound record blanks are one of the things patented by the letters patent sued upon in this cause, and are made and sold by the complainant for the purpose of cutting or writing sound records upon them, and can only be used for this purpose and are of no use for any other purpose. And the complainant receives and collects from the purchaser in the price charged for them whatever patent compensation or royalty on them it sees fit. And when these sound record blanks or cylinders are so bought of the complainant or its licensed manufacturers, agents or dealers, the patent compensation or royalty on them having been once paid to and collected by the complainant, it has heretofore been the universal understanding of the talking machine men and dealers that they may be freely used without further royalty or patent compensation being demanded of the purchaser; and this has been the universal practice and custom of the business. Moreover 164 the complainant sells these patented sound record blanks or cylinders to the public generally and without any notice, condition or restriction as to their use or as to how the record shall be written or cut upon their surface, either as an original or duplicate writing or cutting.

The complainant has been selling sound records, duplicate sound records and sound record blanks for many years, and although they are patented in and by the letters patent sued upon, complainant has never marked them patented, nor the packages in which they are sold, as required by law.

I have carefully examined the letters patent sued upon in this case and understand the same. It shows and describes and there is patented in it a number of separate, distinct and independent inventions.

(Signed) LEON F. DOUGLASS.

Subscribed and sworn to before me this 31st day of May, 1899.

H. M. MUNDAY,  
Notary Public.

(Seal.)

(Indorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.

Attest of Leon  
F. Douglass,  
Filed June 10,  
1899.



## 165 IN THE UNITED STATES CIRCUIT COURT.

For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant.

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass and  
Henry B. Babson,  
Defendants. } No. 25,186.State of Illinois, }  
County of Cook. } ss.Affidavit of Chas.  
Dickinson, filed  
June 10, 1899.

Charles Dickinson being first duly sworn deposes and says:

I am the same Charles Dickinson who has heretofore made an affidavit in this case. For some years prior to 1897 I was connected with the Chicago Talking Machine Company, an Illinois corporation, engaged in the business of dealing in phonographs, graphophones, sound records, duplicate sound records, and other talking machine supplies, of which Company Mr. Leon F. Douglass was the manager. In April 1897 the Chicago Talking Machine Company agreed with the American Graphophone Company to wind up its affairs, and in accordance with that agreement its affairs were soon thereafter wound up, and the corporate existence of said Company has since been ended. I know of my own knowledge that for several years prior to 1897 Mr. Leon F. Douglass had used a number of duplicating machines and made duplicate sound records on them, and sold them to others, including the Chicago Talking Machine Company, and that he had a license from the American Graphophone Company to so make and sell duplicate sound records, and 166 that his said license right was exercised by him with the full knowledge and consent of E. D. Easton, the President of the American Graphophone Company. I was present with Leon F. Douglass and E. D. Easton in April 1897 when the Chicago Talking Machine Company agreed to wind up its affairs, and I know of my own knowledge that at this time the American Graphophone Company by E. D. Easton its President admitted and acknowledged that Leon F. Douglass had a license from the American Graphophone Company

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Evanston, Il



to make and sell duplicate sound records. And afterwards I was present and heard The American Graphophone Company, by Mr. E. D. Easton, its President, agree to buy of Leon F. Douglass five (5) duplicating machines which Mr. Douglass then had, and some of which he had been using for years in making duplicate sound records for sale under his license, as Mr. Easton at this time well knew. I know of my own knowledge that at the time Mr. Douglass agreed to sell these five duplicating machines for \$250.00 to The American Graphophone Company, he did not agree to sell or surrender his license to make and sell duplicate sound records. On the contrary, I remember distinctly that Mr. Easton presented to Mr. Leon F. Douglass a paper for Mr. Douglass to sign stating or acknowledging that Mr. Douglass' license from The American Graphophone Company to make and sell duplicate sound records had expired. And I know that Mr. Douglass refused to sign this paper.

Affidavit of Chas.  
Dickinson, filed  
June 10, 1899.

(Signed) CHARLES DICKINSON.

Subscribed and sworn to before me this 7th day of June, 1899.

(Seal)

LEWIS E. CURTIS.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.

167 IN THE UNITED STATES CIRCUIT COURT

For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant.

vs.

Talking Machine Company, Polyphone  
Company, Leon F. Douglass, and  
Henry Babson. } No. 25,186.  
Defendants. }

State of Illinois, }  
County of Cook. } ss.

Charles Dickinson, being first duly sworn, deposes and says:  
I am forty one years of age and reside at 1107 Michigan Street,  
Evanston, Illinois, am engaged in the business of handling and sell-

Affidavit of Chas.  
Dickinson, filed  
June 10, 1899.



Affidavit of Chas.  
Dickinson, filed  
June 10, 1899.

ing seeds, and am Vice President of the Albert Dickinson Company, of Chicago, Corner W. Taylor Street and the River; I am also President of the Chicago Moto-Cycle Company, 107 Madison Street, Chicago, Illinois.

I am President of the defendant, the Polyphone Company, and I am the owner of the Leon F. Douglass patent No. 613,670, of November 8, 1898, on the Polyphone attachment to phonographs or graphophones. I am fully familiar with the business of the Polyphone Company. It consists in buying of the complainant Company, or its licensed manufacturers, the Columbia Phonograph Company and the National Phonograph Company or their licensed dealers and agents, graphophones and phonographs, with an extra reproducer part for each machine. The extra reproducer is the attachment added to the ordinary phonograph or graphophone to make of it the polyphone. The Polyphone Company applies the

extra reproducer to the machine and then resells the same to its 165 customers, and among others to the complainant itself, the American Graphophone Company. The Polyphone Company has been engaged in this business for many months, and has purchased from the complainant and its authorized manufacturers, dealers and agents directly or indirectly, many hundreds of graphophones and phonographs with the extra reproducers for the purpose of adding the same to the machines to constitute the polyphone. The complainant company has been fully aware of this business from its inception. The complainant has procured from the Polyphone Company specially reduced rates for the polyphones bought by it from the Polyphone Company, and itself sells to others the polyphones so bought.

The Polyphone Company has never manufactured any phonograph or graphophone, or any part thereof; on the contrary it has bought all said machines and parts of the same directly or indirectly of the complainant or its licensed manufacturers, agents or dealers. The Polyphone Company has never made, used or sold any duplicating machines of any kind. Nor has it ever made any duplicate sound records, nor any sound record blanks, nor sound records, nor has it ever sold any duplicate sound records, sound records, or sound record blanks which were not purchased from the complainant or its licensed manufacturers, agents or dealers. And the Polyphone Company has never in any way infringed upon the letters patent sued upon in this case. Nor has the Polyphone Company ever bought any duplicate sound records of Leon F. Douglass.

I am neither an officer nor a director of the Talking Machine Company. I know Henry B. Babson, the President of the Talking Machine Company, and the Polyphone Company sells poly-



phones to it as well as to the complainant company and other dealers, and I am generally familiar with what the business of the 169 Talking Machine Company is. It did no talking machine business of any kind from 1894, when it was organized, to 1898. In 1898 it began the business of dealing in phonographs, graphophones, polyphones, sound records, duplicate sound records, sound record blanks and other talking machine supplies. The business of the Talking Machine Company is now, and has always been simply that of dealer in said machines and supplies, and it has never made any phonographs, graphophones, or parts of the same, on the contrary it has bought all said machines and parts of the same directly or indirectly of the complainant, or its licensed manufacturers, agents or dealers. The Talking Machine Company has never made, sold or used any duplicating machines of any kind, nor has it ever made any duplicate sound records, nor has it ever made any sound record blanks. Nor has it ever sold any sound records, duplicate sound records or sound record blanks which were not procured directly or indirectly from the complainant or its licensed manufacturers, agents or dealers. And the Talking Machine Company has never in any way infringed upon the letters patent sued upon in this case. During the past six months the complainant and its authorized manufacturers, agents and dealers, have sold to the Talking Machine Company many thousand dollars' worth of graphophones, phonographs, sound records, duplicate sound records, sound record blanks and other supplies, and the complainant has been fully aware of this all along.

*Affidavit of Chas. Dickinson, filed June 16, 1899.*

I am now and have been for many years a stock holder of both the American Graphophone Company and the Columbia Phonograph Company. I know Leon F. Douglass and E. D. Easton, and have known them both from seven to nine years, and during this time have been somewhat familiar with the business of the American Graphophone Company, and especially with the relations between Leon F. Douglass and said Company, and said Easton. I was a director of and interested in the Chicago Central Phonograph Company when Mr. Douglass came from Grand Island, Nebraska, to work for said Company as superintendent.

It has always been my understanding that Mr. Leon F. Douglass was the inventor of the practical process and apparatus of duplicating sound records, and that he was the originator of the business. While Mr. Leon F. Douglass was in the employ of the Chicago Central Phonograph Company I knew of his making duplicate sound records for said company, and I also remember that in the Spring of 1892 he went to Washington and entered the employ, for a short time, of the American Graphophone Company. I also know that



Affidavit of Chas.  
Dickinson, filed  
June 10, 1899.

when he returned from Washington that he exercised the right or license to make duplicate sound records for himself, and sold them to the Chicago Central Phonograph Company. I have always understood that Leon F. Douglass was licensed to manufacture duplicate sound records by the American Graphophone Company, and I know of my own personal knowledge that he has openly exercised this right with the full knowledge and consent of E. D. Easton and the American Graphophone Company for many years.

I do not know the defendant Michael Seter or Nicholas Ott, named in the suit 25187, and never heard of them prior to this suit. Neither the Polyphone Company nor the Talking Machine Company has ever bought or procured from them any phonographs, graphophones, duplicating machine, sound record, duplicate sound records or sound record blanks. And neither of said companies, to the best of my knowledge and belief, have ever had any dealings with them or either of them.

171 I have personally known Leon F. Douglass and Henry B. Babson for a number of years, and I personally know them to be honest, trustworthy, straightforward, reliable, and truthful young men.

(Signed) CHARLES DICKINSON.

Subscribed and sworn to before me on this 30th day of May, A. D. 1899.

(Seal)

H. M. MUNDAY,  
Notary Public.

(Indorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk

172

Chicago, Ill., June 7th, 1899.



IN THE UNITED STATES CIRCUIT COURT

For the Northern District of Illinois.

American Graphophone Company,  
Plaintiff,  
vs.  
Talking Machine Company and others,  
Defendants. } In Equity.  
No. 25,186.

State of Illinois, }  
County of Cook. } ss.

Howard W. Hayes, being duly sworn according to law, deposes and says:

Affidavit of Howard W. Hayes,  
filed June 10,  
1899.

I am an attorney and counselor at law of the State of New Jersey and have been connected with the litigation in regard to the patent in suit in the above case, for the last five years. I have been called upon by the defendant in this case to familiarize myself in a general way with the record and proceedings in the various litigations that have arisen in regard to the patents connected with the talking machines for the purpose of stating to the court all issues involved in such litigations and the character of the contest in relation to the same, and pointing out the bearing of decisions rendered in such cases upon the case at bar. This case, according to the moving papers, as I understand them, is based on claims 7, 8, 10, 17 and 18 of Letters Patent of the United States No. 341,214 issued to Bell & Taintor. These claims read as follows:

"7. A sound-record consisting of a tablet or solid body having its surface cut or engraved with narrow lines of irregular or varied form corresponding to sound waves, substantially as described.

"8. A sound-record consisting of a tablet or solid body having its surface cut or engraved with a number of lines of variable cross-section, the irregularities or variations corresponding in form to sound waves, substantially as described.

173 "10. The sound or speech record, cut or engraved in wax or a wax-like composition, substantially as described.

"17. The sound-record in the form of an irregular groove with sloping walls cut in solid material, substantially as described.

"18. The sound-record cut in wax or wax-like composition in the form of an irregular groove with sloping walls, substantially as described."

They all refer to the Phonogram; that is a body upon which



Affidavit of Howard W. Hayes,  
filed June 10,  
1899.

sound record has been made. The question involved in the suit is, as I understand it, entirely a question of the right of the defendant, or some one of them, to make "duplicates" of sound records. The use of this word "duplicate" is inaccurate and misleading, as the articles in question are copies or replicas of sound records and not duplicates of them. A sound record is made on a talking machine by the impact of the sound waves on the diaphragm which vibrates a cutting style and the style cuts upon a blank tablet a record of the sounds which vibrate the diaphragm. The articles in question in this suit are copies, made by a mechanism similar to the ordinary copying lathes, of these sound records. It also is inaccurate to call these copies "sound records," as they are not records made by sounds but are copies of such records. The earliest important litigation involving the patent in suit is the case brought by the complainant against the Edison Phonograph Works. That case was brought on the above-named patent number 341,214, and also on another patent granted to the same patentees No. 341,288. That litigation involved the question of who was the first inventor of various improved features in the present art of talking machines. The defendant company operated under Edison's patents. I was one of the counsel in that case. It was argued before Judge Green in the United States Circuit Court for the District of New Jersey and was undecided at the time of his death. After his death the case was compromised. At the time that case was pending there were also pending cases brought by the companies holding the Edison patents against the Graphophone Company claiming that the articles manufactured by this last named company infringed Mr. Edison's patents. The compromise of the litigation consisted of both parties consenting to decrees against them in the suits in which they were defendants respectively and in the exchange of reciprocal license under the litigated patents. That reciprocal license was as follows:

"Memorandum of agreement made this seventh day of December, 1896, between the American Graphophone Company, a West Virginia corporation, having its principal place of business at Washington, D. C., hereafter referred to as the Graphophone Company, party of the first part, and the National Phonograph Company and the Edison Phonograph Works, New Jersey corporations, having their principal place of business at Orange, New Jersey, and hereinafter collectively referred to as the Phonograph Companies, parties of the second part.

"Whereas, the Graphophone Company and Phonograph Companies are manufacturers of talking machines and supplies therefor,

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and respectively own various letters patent relating thereto, which each interest claims are infringed by the other interest; litigation on said patents has been in progress for some time and undecided; and it seems probable that the patents of both interests will be finally sustained by the courts; and whereas it is believed by the parties that no commercially competitive machine can be manufactured without infringing the patents of both interests;

Affidavit of Howard W. Hayes,  
filed June 10,  
1892.

"And whereas, in view of the foregoing and other considerations, the two interests have concluded to exchange licenses and put an end to the large expense of continuing the pending litigation;

"Now therefore, it is agreed as follows:

"1. The Graphophone Company hereby grants the National 175 Phonograph Company the right and license to manufacture and sell talking machines and supplies therefor under patents No. 341,214, granted May 4th, 1886, to Bell & Tainter, and No. 341,288, granted on same date to C. S. Tainter, to the full end of the terms thereof.

"2. The Phonograph Companies hereby grant to the Graphophone Company the right and license to manufacture and sell talking machines and supplies therefor under the following patents granted upon inventions of Thomas A. Edison, to the full end of the terms thereof, to-wit: Nos. 382,416, granted May 8, 1888; 382,418, granted May 8, 1888; 362,462, granted May 8, 1888; 386,974, granted July 31, 1888; 393,966, granted December 4, 1888; 393,968, granted December 4, 1888; 400,648, granted April 2, 1889; 400,647, granted April 2, 1889; 400,648, granted April 2, 1889; 414,761, granted November 12, 1889; 430,274, granted June 17, 1890; 430,278, granted June 17, 1890; 484,583, granted October 18, 1892; 484,584, granted October 18, 1892; and 499,879, granted June 20, 1893.

"3. The licenses granted by sections one and two are not exclusive, and are not transferable. It is also understood that no license is intended to be granted by either interest to the other under any patent not specified in sections one and two, the intention being to maintain the present characteristic differences between the machines of the two interests. It is also agreed that the Graphophone Company will not apply to any talking machines which it puts out the trade-name "phonograph," and that the phonograph companies will not apply to any talking machines which they put out the trade-name "graphophone." It is further agreed that neither interest will bring suit against such types of apparatus or supplies as have been out commercially by the other interest before the date of this contract, whether put out by either interest before or after this contract.



Affidavit of How-  
ard W. Hayes,  
filed June 10,  
1899.

"4. The parties agree to co-operate in sustaining all the patents hereinbefore specified, and in proceeding against all third persons who may infringe such patents, or any of them. If suit be brought under a graphophone patent, the Graphophone Company shall bear the expense, but the Phonograph Companies shall have the right to be represented by their counsel in such suit at their own expense, and vice versa; the Phonograph Companies shall bear the expense of such suits brought under their patents, subject to the right of the Graphophone Company to be represented by it at its expense. If either party desires a suit brought under a patent of the other, and such other for any reason declines to prosecute, the party desiring such suit shall have the right to use the name of the other party for the purposes thereof.

"In witness whereof, the parties hereto have caused these presents to be signed and sealed the day and year first above written, each by its President thereunto duly authorized.

**AMERICAN GRAPHOPHONE COMPANY,**

Attest: By E. D. Easton, President.  
Paul H. Cromelin, Sec'y.

**EDISON PHONOGRAPH WORKS,**

Attest: By Thomas A. Edison, President.  
J. F. Randolph, Sec'y.

**NATIONAL PHONOGRAPH COMPANY,**

Attest: By W. S. Mallory, President.  
J. F. Randolph, Sec'y."

I refer to this agreement because I understand that one of the defendants in this case purchased the blanks upon which he makes the article claimed to be an infringement from the National Phonograph Company, one of the parties to this agreement. The other patent, No. 341,288, I refer to as it is probable that the claims 1 to 4, inclusive, may have a bearing on this case. They are as follows:

"1. A recording tablet for a phonograph, consisting of a hollow cylinder provided with a wax or wax-like coating for receiving the sound record, substantially as described.

"2. A recording tablet consisting of a hollow cylinder provided with a wax or wax-like coating, substantially as described.

"3. The recording tablet consisting of a hollow paper cylinder coated with a composition of beeswax and paraffine, substantially as described.

"4. A tubular self-sustaining tablet for recording sounds or sonorous vibrations, substantially as described."

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I understand that one of the defendants claims that he has purchased blank tablets from the general licensee of the complainant and therefore is entitled to use them for the purpose indicated in these four claims so long as in making such use he does not infringe other claims of the complainant's patent therefor.

The next suit in order of time, involving any of the questions arising in this case, is, so far as I am informed, the suit brought by the complainant against Walcutt & Leeds in the Southern District of New York. That suit was similar to the present one in that the issue was as to whether the making of copies of sound records by means of other than the impact of sound waves on a diaphragm vibrating a stylus is an infringement of complainant's patent No. 341,214. That case went to final hearing and the decision of the Court was in favor of the complainant and an injunction went against the defendant. I am familiar with the record in that case having examined it, and also have consulted with H. Albertus West the counsel for the defendant in that case. The only defense interposed in the case was that the copies of the sound records made by the defendants were made by them by means of phonographs purchased from licensees of the complainant to which the defendants had added additional mechanical attachment. Judge Wheeler decided that the purchase of a talking machine from the complainant or his licensee did not authorize the purchaser to make records on it by methods other than the normal and intended use of the machine. I have before me a copy of the affidavit made by Mr. West for use in a case against the United States Phonograph Company, to which I will refer later. In that affidavit he says:

"The suit was brought to enjoin the defendants therein from making and selling the so-called duplicates. Correctly speaking, they are not duplicates, but copies, and are not sound records. They are copies of the indentations produced by sound waves on the original record. In making these copies Walcutt & Leeds used two phonographs connected mechanically. Upon one of these was placed the sound record, and a copy of it was made mechanically on a blank cylinder placed on the other. The only question raised in the testimony or the briefs in the case was as to whether the use of phonographs to make a copy of sound record was outside of the normal use of the phonograph, so that such use was not covered by the license implied from the sale of the instrument. The American Graphophone Company claimed that as their patent covered the product of the machines, Walcutt & Leeds had no right to produce that product by the use of a licensed machine with a mechanical addition to it. Judge Wheeler sustained this claim, and

Affidavit of Howard W. Hayes,  
filed June 10,  
1899.



Affidavit of Howard W. Hayes,  
filed June 10,  
1899.

enjoined Walcutt & Leeds from making these copies in the above mentioned manner. \* \* \* In neither of the suits was any point made either on the record or in the briefs than the points above explained. The argument was confined to that one question and the issue was not raised as to whether these copies were sound records as distinguished from copies of sound records. It was also taken for granted that patents Nos. 314,214 and 314,288 covered cylinders capable of producing sound, whether made in the manner described in the patent or otherwise. For the purpose of the argument it was also assumed that the soap blank having on it indentations capable of producing sounds was an equivalent to the sound record in a wax or wax-like substance as described in that patent. Also the validity of the said two patents was not contested by us. They were very generally disputed and have never had their validity established in any suit where a full bona fide defense was made. The only suit where a full bona fide defense was made respecting the validity of said patents was the one in the New Jersey Circuit Court against the Edison Phonograph Works, and the Graphophone Company compromised and settled that case. My clients, Walcutt & Leeds had not the money to go into the case on the merits of the patents, so I made no attack on them.

"It is evident that both these points and many others might have been raised in that or a similar case, but we confined the question at issue entirely to the one point above stated."

While this suit against Walcutt & Leeds was pending a suit was brought by the complainant against the United States Phonograph Company to restrain it from making copies of sound records in the same manner as had been done by Walcutt & Leeds. This Company, the United States Phonograph Company, was one of the principal dealers in talking machine records in the United States while Walcutt & Leeds were a firm doing a small business and with but little means. The United States Phonograph Company had been sued by the complainant in the latter part of 1894 at the same time that the suit against the Edison Phonograph Works was pending, and the suit against the United States Phonograph Company and the one against the Edison Phonograph Works were combined and argued at the same time. The same points were involved in each, and at the time of the settlement of the case against the

Edison Phonograph Works the case against the United States 179 Phonograph Company also was settled. I was one of the counsel for the United States Phonograph Company in this latter case brought against it. A motion for a preliminary injunction was made in the latter part of May, 1898. It was resisted vigorously and numerous defenses were interposed. The decision

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in the Walcutt & Leeds case was made the basis for the application for the preliminary injunction. After notice of that motion was given and before it was argued, the decision in this Circuit in the two cases of the complainant against Aaron J. Jones and against the Western Phonograph Company were rendered by Judge Grosscup. In this last-named case a suit was brought to restrain the defendant from making and selling copies of sound records, which copies were made by means of a mechanical attachment placed on a talking machine purchased from the complainant or its licensees. In that case, as in the case against Walcutt & Leeds, no defence was interposed as to the validity of the patents sued on or their construction, or the license implied from the purchase of blank tablets from the complainant or their licensee. As I understand the case and the decision, the defendant sought to avoid the injunction simply on the ground that their use of a legitimately purchased talking machine was not an infringement on the complainant's patents. In Judge Grosscup's decision these copies of sound records are spoken of as being "counterfeited." That word would seem to imply that the manufacturers of copies of sound records did so with the intention of deceiving the public by passing off the copies as being originals. I understand that that is not the case, and that in the business the great bulk of the tablets for producing sound sold are not original sound records but are copies of them. I am confirmed in this impression by the statement made by Mr. Mauro, the counsel of the defendant in his brief filed in the case against the Edison Phonograph Works above referred to, in which he said: "Most of the sound records of commerce are made by a process of duplication, that is, copying from a master record." The decision of Judge Grosscup last above referred to was presented to the court in the argument for a preliminary injunction in the second case against the United States Phonograph Company, as was also the decision in the case against Walcutt & Leeds. The defences interposed in that case against a motion for a preliminary injunction were:

1. That the two Bell & Tainter patents Nos. 341,214 and 341,288 were not valid as the inventors claimed, in they had been anticipated by Mr. Edison and others in their patents and publications.
2. That the making of copies of sound records by mechanism not covered by the claims of the patents were not infringements of the patents, and
3. That the settlement and discontinuance of the earlier suit against the United States Phonograph Company estopped the complainant from again litigating the question of infringements by the defendant.

Affidavit of Howard W. Howe,  
filed June 10,  
1890.



Affidavit of Howard W. Hayes,  
filed June 10,  
1899.

The second portion of the defence involved four questions, to none of which, except the third, so far as I can learn, have ever been presented to any court or have ever been passed upon. They were as follows: I quote from the brief filed by me in the case.

"(a) The claims are for a 'sound' record; that is to say, a record of sound. We claim that the 'duplicates' we make are not records of sound, but are merely copies of record made by sound and cannot properly be called 'sound records.' It is very evident from the patent that the use of the word 'sound record' was intended to apply only to records made by the direct use of sounds.

(b) "The claims in the patent are intended only to cover 'sound records' made in the manner described in the patent. Each of the claims contain the qualification 'substantially as described.' From the language of the patent it is evident that the inventor had in his mind only sound records made in the manner indicated by the patent; that is, by the impact of sound waves on a diaphragm, which vibrates a cutting style, and so makes indentations on the tablet.

181 (c) "The claim of the patent in suit must be confined to a sound record in wax or wax-like composition, as the invention is confined entirely to that method of making sound record. The records made by the defendant are not cut in wax or wax-like composition, but are cut in a metallic soap, which is entirely different in character from the tablet described by the complainants. These soap blanks are not equivalents, as the wax-like tablets differ materially in character from the soap blanks, and records were never successfully made on them. The first success obtained in making records was the result of Mr. Edison's scientific investigation, by which he discovered that in order to reproduce certain sounds successfully a hard substance was necessary for the tablet in contradistinction to a soft wax-like tablet. We therefore claim that a record cut in a soap blank is not within the claims of the patent.

(d) "The blanks purchased by the defendant from the National Phonograph Company are licensed generally under the two patents of the complainants, 341,214 and 341,288. Where an article is licensed under a patent and nothing is said as to any restrictions, a purchaser of that article certainly has a right to use it in any way indicated by the patents, and to insist that it is licensed under every one of the claims of the patent that are applicable to it. Claim 13 of patent 341,214 is for a 'tablet or body for recording sound vibrations.' Also in patent No. 341,288, under which these blanks are also licensed, there is a claim, No. 4, for a 'tubular self-sustaining tablet for recording sound or sonorous vibrations.' These



claims describe the Edison blank, and those blanks are licensed under it. This being the case, we maintain that the plaintiff having licensed the sale of a blank intended for having sounds or sonorous vibrations cut upon it, and having in no way restricted the means by which such sounds or sonorous vibrations shall be cut on the 182 tablet, the defendant, having purchased such tablet from the licensee, has a right to cut such sounds or sonorous vibrations on that tablet in any manner he sees fit."

Affidavit of Howard W. Hayes,  
filed June 10,  
1899.

Soon after the motion for preliminary injunction was argued the counsel for the complainant applied to Judge Kirkpatrick, before whom the case was heard, for leave to withdraw their motion for preliminary injunction. I resisted that application but it was granted and the motion was withdrawn. Since then the case has been litigated in the ordinary way and is still pending, the defendant's testimony not yet being closed. Since the withdrawal of the motion for a preliminary injunction in the case against the United States Phonograph Company I have heard of no final decree of any litigated case. The only decision of any court bearing on the subject that has come to my attention is a decision of Judge Dallas in the Circuit Court for the Eastern District of Pennsylvania, in a case brought by the complainant against Hawthorne and others. The case was brought to restrain the manufacture of a machine for making copies of sound records. From the opinion it appears that the defence was simply a question of contributory infringement; and the validity of the patent and the infringement of it was admitted. The opinion says: "The validity of the patent and that the unlicensed making of such sound records would violate its being canceled, there is no room for question that this sale of this machine constituted an infringement. So far as I am informed the questions as to whether a mechanically made copy of a sound record is covered by the complainant's patent 341,214, and whether the unrestricted sale by the complainant or its licensee of a 'tablet for recording sounds' licenses the purchaser to use the tablet for the purpose of placing a copy of a sound record on it have not as yet been judicially decided.

In the pending case between the complainant and the United States Phonograph Company, I called Edward D. Easton as a witness, and the following is a copy of his testimony:



## UNITED STATES CIRCUIT COURT

For the District of New Jersey,

American Graphophone Company  
 Against  
 United States Phonograph Company et al. } In Equity,

Testimony taken on behalf of the defendant United States Phonograph Company, before S. D. Oliphant, Esq., Standing Examiner, this 10th day of October, 1898, at No. 11 Broadway, New York City.

## Appearances.

For the defendant, United States Phonograph Company, Howard W. Hayes, Esq.

For the complainant, Messrs. S. O. Edmonds and Philip Mauro.

Deposition of E.  
 D. Easton, filed  
 June 10, 1899.

Edward D. Easton, a witness called on behalf of the defendant, United States Phonograph Company, being duly sworn deposes and says:

*Direct Examination by Mr. Hayes.*

Q. 1. Where do you reside? A. Arcolar, Bergen County, New Jersey.

Q. 2. Are you connected with the American Graphophone Company? A. I am.

Q. 3. In what capacity? A. President and general manager,

Q. 4. Are you also a director? A. I am.

Q. 5. Are you a stockholder? A. I am.

Q. 6. How long have you been a stockholder in the American Graphophone Company? A. Ever since its organization.

Q. 7. Please state as well as you can, the various offices you have held in connection with the American Graphophone Company, and the approximate dates between which you have held these offices?

A. I have been a director most of the time since the organization of the Company. I became general manager about five years ago, and President shortly after becoming general manager.

Q. 8. Have you the data from which a list of the officers and directors of the American Graphophone Company from the time of its incorporation, to the present time, can be ascertained? A. I have.

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Q. 9. Are you connected with the Columbia Phonograph Company? A. I am.

Deposition of E.  
D. Easton, filed  
June 10, 1889.

Q. 10. In what capacity? A. President from the date of its Organization.

Q. 11. Have you been a director of the Columbia Phonograph Company from the date of its organization? A. I have.

Q. 12. Have you data from which a list of directors and officers of the Columbia Phonograph Company from the time of its organization to the present time, can be ascertained? A. I have.

Q. 13. Are you connected with the Columbia Phonograph Company General? A. I am.

Q. 14. In what capacity? A. As President.

Q. 15. Are you a director of that Company? A. I am.

Q. 16. Have you data from which a list of officers and directors of that Company from the date of its organization to the present time, can be ascertained? A. I have.

Q. 17. Are you a stockholder in the Columbia Phonograph Company? A. I am.

Q. 18. Are you a stockholder in the Columbia Phonograph Company General? A. I am.

Q. 19. While you were President of the Columbia Phonograph Company were you cognizant of its affairs? A. I was.

Q. 20. Were you active in its management? A. I was.

Q. 21. During the time you have been connected as an officer with the American Graphophone Company, were you cognizant of its affairs? A. I was.

Q. 22. And active in its management? A. Yes, sir.

Q. 23. During the time you have been connected with the Columbia Phonograph Company General, were you cognizant of its affairs? A. Yes sir.

Q. 24. And active in its management? A. Yes.

Q. 25. Please give a list of the officers and directors of these three companies from the time of their incorporation to the present time, giving the date during which each one of these officers and directors held their positions.

Officers of Columbia Phonograph Co., with dates of election.

President—

E. D. Easton, Jan. 15, 1889.

Vice President & Treasurer—

Wm. Herbert Smith, Jan. 15, 1889.

Secretary—

Aaron Johns, Jan. 15, 1889.

R. F. Cromelin, Oct. 23, 1889.



Deposition of E.  
D. Easton, filed  
June 10, 1899.

Officers of the Columbia Phonograph Com., Genl., with dates of election.

President and Treasurer—

E. D. Easton, May 26, 1894.

Vice President and Genl. Mgr.—

R. F. Cromelin, May 25, 1894.

Secretary—

Frank Dorian, May 25, 1894.

Officers of the American Graphophone Co., from time of organization to present time, with dates of election.

President—

Jas. G. Payne, June 27, 1887.

Saml. M. Bryan, Oct. 14, 1892.

C. J. Bell, Oct. 9, 1893.

E. D. Easton, Apl. 8, 1895.

Vice President—

J. H. Saville, June 27, 1887.

C. J. Bell, Oct. 13, 1890.

E. D. Easton, Oct. 9, 1893.

Wm. E. Bond, Apl. 8, 1895.

Treasurer—

N. Wilson, June 27, 1887.

C. J. Bell, June 14, 1890.

Wm. H. Smith, Oct. 17, 1895.

Secretary—

A. Herr, June 27, 1887.

Mr. White, Oct. 15, 1888.

Jas. A. Bates, Oct. 13, 1890.

E. D. Easton, June 27, 1892.

A. H. Speake, Nov. 1892.

E. D. Easton, May 13, 1893.

F. Dorian, Apl. 8, 1895.

H. A. Budlong, Dec. 24, 1895.

186 W. E. Fisher, June 9, 1896.

P. H. Cromelin, Nov. 9, 1896.

T. J. Godwin, Jan. 11, 1898.

Counsel—

Jas. G. Payne, Oct. 12, 1887.

E. D. Easton, Oct. 17, 1895.

General Manager—

J. H. Saville, June 27, 1887.

J. C. Payne, Oct. 13, 1890.



C. S. Fawcett, June 27, 1892.  
 Chas. Flint, November 1892.  
 E. D. Easton, April 10, 1893.

Deposition of E.  
 D. Easton, filed  
 June 19, 1892

E. D. Easton was elected a director Oct. 14, 1889.

Names of directors of Columbia Phonograph Company from date  
 of organization to October 8th, 1898.

Directors elected at organization, February 12, 1888—

Wm. Herbert Smith.

A. Johns.

E. D. Easton.

Benj. Durfee.

Chapin Brown.

Annual meeting, October 21, 1889. All then serving as directors re-elected.

Annual meeting October 20, 1890. All then serving as directors re-elected.

Annual meeting, October 19, 1891. The only change in the Board of Directors was the election of Mr. Chas. H. Ridenour in place of Mr. A. Johns.

(All re-elected thereafter, and still in service.)

Names of Directors of Columbia Phonograph Company from date  
 of organization to October 8th, 1898.

R. F. Cromelin,

Wm. E. Bond,

E. D. Easton.

Wm. Herbert Smith.

Andrew Devine.

Elected May 25th, 1894.

on organization, and all still in service.

Names of Directors of American Graphophone Company from date  
 of organization to October 13th, 1890.

Directors elected at organization, January 25, 1887—

James C. Payne.

187 Gardner C. Hubbard.

Austin Herr.

John H. White.

James H. Clephane.

Nathaniel Wilson.

October 8th, 1888. Directors elected at annual meeting—

James C. Payne.

James H. Seville.

Nathaniel Wilson.

Austin Herr.



Deposition of E.  
D. Easton, filed  
June 10, 1899.

Andrew Devine.  
John H. White.  
Chas. J. Bell.

October 14, 1889. Directors elected at annual meeting—

Jas. C. Payne  
Nathaniel Wilson.  
Andrew Devine.  
John H. White.  
Chas. J. Bell.  
E. D. Easton.  
Jas. A. Bates.

October 13, 1890. Directors elected at annual meeting—

Jas. G. Payne.  
Andrew Devine.  
John H. White.  
Chas. J. Bell.  
James A. Bates.  
R. D. Easton.  
R. O. Holtzman.

A. G. Co., Directors, with dates of election to Oct 10, 1895—

S. M. Bryan, Feb. 2, 1892.  
C. S. Tainter, Feb. 2, 1892.  
G. G. Hubbard, June 27, 1892.  
Wm. B. Gurley, June 27, 1892.  
R. F. Cromelin, Apl. 8, 1895.  
F. Dorian Nov. 9, 1895.  
F. J. Warburton, Oct. 11, 1897.  
Wm. E. Bond, Oct. 1893.  
Frank L. Hall, May 15, 1894.  
J. J. Phelps, Oct. 8, 1894.  
Andrew Devine, Apl. 8, 1895.  
Wm. Herbert Smith, Apl. 29, 1895.  
M. E. Lyle, Jan. 16, 1897.  
Philip Mauro, Oct. 11, 1898.

(Signed) E. D. EASTON.

HOWARD W. HAYES.

Subscribed and sworn to before me this 8th day of June, 1899.

(Notarial Seal.)

H. M. MUNDAY,

Notary Public.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,

Clerk.

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Affidavit of E. D.  
Easton, filed  
June 10, 1892.

ally identical in terms with the agreement of two days previous. The principal modification is the more explicit statement that the royalty of two cents per record which I agreed to pay Douglass applied only to records made by the process conveyed to me by said agreement. A true copy of this second agreement is hereto annexed and marked "Exhibit B Easton's Affidavit."

On July 31, 1892, after the issue of the patent to the said Douglass, the latter executed a waiver of the royalty provided for in the previous agreement, in consideration of a license granted by me "to the Chicago Central Phonograph Company to use Letters Patent No. 475,490." A true copy of this paper with a memorandum made thereon by me January 2, 1895, is hereto annexed, 190 and marked "Exhibit C, Easton's Affidavit."

In or about January, 1895, Douglass informed me that he had another and better means of duplicating sound records, which he had substituted for his patented method, and he desired to make an arrangement with me regarding this new method, under which I should take out a patent at my own expense. An agreement was made between Douglass and myself individually, with reference to this supposed new invention, January 3, 1895, and I annex hereto a true copy, marked "Exhibit D, Easton's Affidavit."

The said application was duly made by my attorneys, Pollok & Mauro, who some months later advised me that the application was rejected on and anticipated by Bettini's patent, No. 488,381, Dec. 25, 1892. The said Douglass' application was therefore abandoned, and the costs thereof were paid by me individually.

The last paragraph of Exhibit D indicates the existence of an agreement between Douglass and the American Graphophone Co. I have not been able to find this paper or any copy of it; but from recollection I can state that its general terms were the employment of Douglass by the American Graphophone Co. for a limited time, and included the use of Douglass' then secret process for the benefit of the American Graphophone Co. I understand that the present claim of right made by Douglass is based upon the papers whereof copies are hereto annexed, to which the American Graphophone Co. was not a party, and which did not relate in any way to the patents owned by said company.

The question of the pretended rights of said Douglass 191 has heretofore been a subject of discussion with him. After I assumed the management of the American Graphophone Company in 1893, that Company began to sue infringers of its patents for the purpose of establishing the latter, and the first final decree was obtained in December 1896. During these years infringements were quite general, Douglass and many others being engaged

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in making duplicate records. Until the patents were established Douglass was not interfered with, for the reason that the relations between him and the Complainant were very cordial and friendly, and it was not thought fair to enforce the rights of the Company rigorously against its friends, until the patents were established. Early in 1897 Douglass was notified that he must cease duplicating and that the rights of the Graphophone Co. must be respected. After some discussion, oral and by correspondence, Douglass and his associates ceased the unauthorized operations complained of and surrendered all their duplicating apparatus, which were taken off their hands at cost by the American Graphophone Co.

The correspondence between the American Graphophone Co. on the one hand, and the Chicago Talking Machine Co. and said Douglass on the other hand shows the condition of affairs during this period. In a personal letter to said Douglass, dated January 29, 1897 I said:

"We are now arranging to enforce our duplicating patents and hope it will only be a short time before we completely control the art."

Shortly after this I learned that certain business practices of the Chicago Talking Machine Co. were detrimental to the interests of the American Graphophone Co. and their practices were the subject of discussion with Mr. Douglass. On March 19, 1897, 192 the American Graphophone Co. wrote the Chicago Talking Machine Co. stating the requirements of the former, which were to take effect April 1, 1897. Among these requirements were

"1st,—That you sell, exclusively, our line of supplies, including records, and discontinue duplicating."

On March 25, 1897, the Complainant wrote to the Chicago Talking Machine Co. as follows:

"If you wish to act as independent dealers we will give you the regular discounts, as per our lists published from time to time, and would certainly fill your orders with all possible promptness. You would, if on this basis, be entitled to do any lawful thing in the talking machine business; but you doubtless understand that our definition of this would not mean duplicating. We believe our patents completely cover this art, and we are now testing the matter in the Courts in New York and meantime would not sanction duplicating by you. Should it be determined by the Courts that our patents are invalid, you would be free to duplicate; or if you pleased we would test the matter with you in a suit in Chicago; but would not deal with you on any basis, independent or otherwise, while we believed you were infringing our patents. The fact that we have thus far made no objection better indicates our friendliness than lack of right to object."

Affidavit of E. D.  
Easton, filed  
June 10, 1899.



Affidavit of E. D.  
Easton, filed  
June 10, 1899.

In a telephonic conversation Mr. Douglass raised the question of his rights under the papers hereinbefore referred to and following this conversation the complainant wrote him as follows, on April 5, 1897:

"I also told you over the telephone that the only duplicating right you had was the right I gave you to use your own rarified air patent, of which I now have title. That was, however, always subordinate to the fundamental graphophone patents and for which you never had a license."

On April 13, 1897 Complainant was notified by a telegram from Douglass, (subsequently confirmed by letter) that the Chicago Talking Machine Co. had stopped duplicating.

193 Later in the same months the duplicating machines, which had been in use by the Chicago Talking Machine Co. were shipped to the Complainant, and receipt therefor was acknowledged April 27, 1897. Moreover, in the same month, the Complainant purchased the good will of the Chicago Talking Machine Co. and in August, 1897, employed said Douglass as the Manager of its Chicago office.

I supposed that this transaction settled finally any dispute between Douglass and the Complainant as to any right or pretense of right by the former to make duplicate records, and that he was thereafter morally as well as legally bound to respect scrupulously the rights of Complainant.

From these facts and from the letters, statements and actions of said Douglass I have been lead to believe, not only that he fully understood the rights of the American Graphophone Co. but that he intended to respect them. Until very recently I have rested in this belief, and have had every reason to do so, particularly as said Douglass has been conducting the operation of duplicating records with the utmost secrecy, and with great precautions against discovery, when I was lately informed by F. P. Moore (who has conducted several investigations for Complainant) that Douglass was making duplicate sound-records, and that he could obtain evidence thereof, I did not have sufficient confidence in the report to employ Moore to make the investigation, and only authorized it upon said Moore's undertaking to make the investigation without compensation unless he procured evidence establishing the accuracy of his statements.

EDWARD D. EASTON.

Subscribed and sworn to before me this 3rd day of June, 1899.  
(Seal)

ELISH CRAMP,  
Notary Public, N. Y. Co.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Ck.

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EXHIBIT A, EASTON'S AFFIDAVIT.

Washington D. C., March 14, 1892.

Exhibit A, filed  
June 10, 1892.

Leon F. Douglass and E. D. Easton hereby agree as follows:

Douglass sells, transfers and assigns to Easton all his right, title and interest in Douglass' process for duplicating phonograph and graphophone cylinders, in consideration of five slot graphophones, complete, and a royalty of two cents per cylinder on each perfect phonograph cylinder made and used or sold. Douglass agrees to improve said process by every means in his power, and to furnish improvements to Easton without cost for Douglass' services.

Douglass further agrees that he will use all efforts to secure patents on the process and improvements, and that he will assign to Easton, or a person named by Easton, any patent he may procure; provided that the cost of taking out said patents shall be paid by Easton.

Douglass further agrees that, pending question of obtaining patents he will not communicate this process to any other persons than those authorized by Easton, nor permit others to use it, if in his power to prevent.

All of Douglass' unfilled orders for records to be filled under this agreement.

The graphophones are to be delivered as soon as the same can be obtained from the American Graphophone Company.

Douglass and Easton agree to execute such further agreements as may be necessary to secure to Easton a complete monopoly of the process of Douglass, and to Douglass the graphophones and royalty above specified.

LEON F. DOUGLASS. (Seal)

E. D. EASTON. (Seal)

195

EXHIBIT B, EASTON'S AFFIDAVIT.

Washington, D. C., March 16th, 1892.

Exhibit B, filed  
June 10, 1892.

Leon F. Douglass and E. D. Easton hereby agree as follows:

Douglass is the inventor or discoverer of a process, now secret, for duplicating musical and other records on phonograph and graphophone cylinders; and Easton desires to obtain complete ownership and control of said process.

Douglass sells, transfers and assigns to Easton all his right, title and interest in said process; and agrees to improve said process by every means in his power and to furnish improvements to Easton without cost for Douglass' services.



Douglass further agrees that he will use all efforts to secure patents on the process and improvements; and that he will assign to Easton or a person named by Easton, any patents he may procure; provided that the cost of taking out said patents shall be paid by Easton, Easton to be reimbursed by Douglass, out of royalty hereinafter provided, in case Easton shall advance money for applications which shall be rejected.

Douglass further agrees that pending question of obtaining patents he will not communicate this process to any other persons than those authorized by Easton, nor permit others to use it if in his power to prevent.

In consideration of the performance by Douglass of all the undertakings in this agreement, Easton agrees to pay Douglass a royalty of two (2) cents per cylinder on each phonograph record made by this process and used or sold.

196 All of Douglass' unfilled orders for records are to be filled by Easton under this agreement.

Douglass and Easton agree to execute such further agreements as may be necessary to secure to Easton a complete monopoly of this process of Douglass, and to Douglass the royalty above specified.

LEON F. DOUGLASS. (Seal)

E. D. EASTON. (Seal)

Exhibit C, filed  
June 10, 1899,

197

## EXHIBIT C, EASTON'S AFFIDAVIT.

July 31st, 1892.

In consideration of the license granted by E. D. Easton to the Chicago Central Phonograph Company to use U. S. Letters Patent No. 475,490 I hereby release said Easton from the payment of the royalty on Phonograph cylinders made under said patent as provided in the contract of sale between myself and said Easton.

I further agree to furnish at least \$50 worth of original records per month from the Columbia Phonograph Company for use in making duplicates or transfers for the Chicago Central Phonograph Company during the continuance of said license.

LEON F. DOUGLASS. (Seal)

Witness

F. DORIAN.

Purchase of \$50 worth of original records per month is this day waived

Jan'y 2, 1895.

E. D. EASTON.



198 EXHIBIT D. EASTON'S AFFIDAVIT.

Jan. 3rd, 1895.

Exhibit D, filed  
June 10, 1899.

Mr. Leon F. Douglass, No. 98 Madison St., Chicago, Ills.

Dear Sir:—

Referring to the contract of March 16th, 1892, this is to evidence a modification of said contract as follows:

Application is now pending for a patent for an improvement in your process for duplicating, and you have assigned the same to me before issue.

You are hereby licensed under the patent already issued, and are authorized to use the process covered by the pending application in such way, personally, as you please, the consideration to me being a waiver of the royalty of two cents per cylinder specified in your contract with me March 16th, 1892.

It is understood that this is a personal license; that it is not assignable, nor salable; but that you may make, for sale, as many Phonograph records as you please under this license.

The above is not intended to, in any way, modify or effect any agreement you may have with the American Graphophone Company.

Yours truly,

E. D. EASTON.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,

Clerk.



## 199 IN THE UNITED STATES CIRCUIT COURT.

For the Northern District of Illinois,

In Equity.

American Graphophone Company,	}	No. 25,186.
Complainant.		
vs.		
Talking Machine Company, Polyphone	}	
Company, Leon F. Douglass, and Henry		
B. Babson,		
	Defendants.	

State of Illinois, }  
 County of Cook. } ss.

Affidavit of Henry  
 B. Babson, filed  
 June 10, 1899.

Henry B. Babson, one of the above named defendants, being first duly sworn, deposes as follows:

I am twenty-three years of age, and reside at 77 Dearborn Avenue, Chicago, Illinois. I am the President of the Talking Machine Company and am familiar with all its business. The business of this Company is the handling and dealing in talking machines—that is to say graphophones and phonographs—and their supplies which the complainant or its licensed manufacturers manufacture. The company buys graphophones and phonographs of the Columbia Phonograph Company and of the National Phonograph Company, who are licensees of the American Graphophone Company, complainant. The Talking Machine Company buys its supplies, that is to say extra parts, record blanks, &c., and also its completed records from the same companies above named. And it has also bought some duplicate sound records from Leon F. Douglass, who is a licensed manufacturer of duplicates on sound record blanks which he purchases only of the complainant.

200 The Talking Machine Company has never made any graphophones nor phonographs, nor talking machines of any kind, nor any parts of the same, nor has it procured anybody else to make the same for it; nor has it made any record blanks nor duplicate records; nor has it ever sold any phonographs, graphophones, or parts of the same, or sound records or sound record blanks, which were not manufactured by the complainant or its authorized man-



manufacturers or licensed dealers or agents, nor has it in any way infringed upon the letters patent sued on in this case.

Affidavit of Henry  
B. Babson, filed  
June 10, 1899.

I personally have never made any phonographs or graphophones or parts of the same, or duplicate sound records, or sound record blanks, nor have I sold any. I am in no way directly or indirectly engaged in the talking machine business.

I am perfectly familiar with the manner in which the graphophone and phonograph business is carried on by the various dealers in talking machines, and by the Columbia Phonograph Company and the National Phonograph Company. These companies and all others engaged in this business sell the talking machines and sell with it blank wax-like cylinders called record cylinders or phonogram blanks. And these phonogram blanks which are consumed in the use of the machine are a regular article of supply, and I understand they are patented, the patents being owned by the complainant or its licensees, the Columbia Phonograph Company and the National Phonograph Company. The Talking Machine Company, defendant, is authorized by the American Graphophone Company to sell these phonogram blanks, the sound records made on them, the graphophones or phonographs in which they are to be used and the other supplies which the user of the phonograph may require, and which merchandize has been purchased either of the complainant direct or its authorized agents and licensees and manufacturers, the Columbia Phonograph Company and the National Phonograph Company, or any other person who has bought such merchandize of them or of such authorized manufacturers. And the Talking Machine Company has been doing this without complaint ever since it has done business and it has paid many thousand dollars to the complainant or its licensed manufacturers for such merchandise.

When a customer purchases of any phonograph company a machine he is authorized to use this machine in the way it was intended to be used, namely with the blanks furnished with the machine or purchased afterwards and with the complete records purchased with the machine or afterwards. And affiant knows that all talking machine dealers sell their talking machines with this distinct understanding. There is no limit to the number of blank phonograms which any person may purchase or use for making records for himself, provided only such blanks are used upon talking machines which have been purchased of the complainant or its licensed manufacturers. Indeed the phonogram blanks are of no use to anybody except for use upon the talking machine which they are specially made to fit and which talking machines are only made



Affidavit of Henry  
B. Babson, filed  
June 10, 1899.

by the complainant or its authorized manufacturers. And the same is true of the completed records made on such phonogram blanks.

(Signed) HENRY B. BABSON.

Subscribed and sworn to before me this 31st day of May, 1899.

H. M. MUNDAY,

(Seal)

Notary Public.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,

Clerk.

202 IN THE CIRCUIT COURT OF THE UNITED STATES,

For the Northern District of Illinois.

In Equity.

American Graphophone Company,  
Complainant.

vs.

Talking Machine Company, Poly-  
phone Company, Leon F. Doug-  
lass and Henry B. Babson,  
Defendants.

No. 25,186.

State of Illinois. }  
County of Cook. } ss.

Affidavit of Silas  
F. Leachman,  
filed June 10,  
1899.

Silas F. Leachman, being first duly sworn, deposes as follows:

I am coming forty years of age, I reside in Chicago, Illinois, and am a singer by occupation. At the present time and since 1892 my business has been singing to make talking machine records. I am employed to do this because my voice has a peculiar quality which fits it for this work. I am in the employ of Leon F. Douglass making sound records which are exclusively sold by the Talking Machine Company of Chicago. I also make the duplicates of my own records which I sing for Mr. Douglass. I make these duplicates upon Mr. Douglass' own machine as his employee, and I have no duplicating machine of my own and never have had.

I am informed that somebody has said that I have at my house a large size or "grand" duplicating machine. If anybody ever said this it is untrue in every particular. I have no such machine at my house and never had. Moreover I am perfectly familiar with the whole business of making sound records and duplicates of the same.

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I never knew or heard of a duplicate sound record of the "grand" size being made. I never saw such a duplicate record and do not believe that any have yet been made. All of the grand size records that I ever saw were original or master records. I understand that 203 Mr. Douglass expects to make some duplicate grand records, but he has not made any yet.

I have never for my own account or for myself made any duplicate records, nor sold any. I have never made any talking machines. I have never made any duplicating machines or sold any. I have never infringed upon any body's patent upon talking machine, or sound records, or duplicating machines.

I have never sold any duplicate sound records even for Mr. Douglass excepting only duplicates of the records that I sing myself.

I should not hesitate, if I had occasion to do so, for Mr. Douglass, to duplicate any other singer's records; because there is no copyright on the songs sung in these records. I buy my own songs of the publishers, and they are glad to have me use them and sing them into the phonograph for reproduction, because it advertises their music. Indeed, of late years, the publishers have been accustomed to send to me gratis a copy of each song as it comes out, known as professional copies. I have never objected to other phonograph companies duplicating the records which I make. I hope they will keep the price up at a fair rate, that is all. I know that it is and always has been, ever since the duplicating method was discovered, the general practice of the various talking machine concerns. I know that Mr. E. D. Easton's company at Washington, the Columbia Phonograph Company, at one time bought some of my masters' records of Mr. Douglass and put my name on their catalogue of singers. And I know from the great quantities of Leachman records that they subsequently sold that they must have duplicated my originals very extensively, but I made no objection to this at the

204 time, and have no objection to make, because it is a well recognized common practice. My art is peculiar to itself. It resides in the peculiar quality of my voice, and this is true of every phonograph singer. And I have a perfect protection in my business because nobody can sing master records with my voice except myself. And while they are able to duplicate my records from the originals, they cannot duplicate from the duplicates, successfully. And new songs are coming out constantly, and old master records are being constantly worn out. So it is there is no good reason why any singer should object to having his records duplicated. At any rate I recognize it as a common practice.

I have always understood, and it is a matter of general knowledge

Affidavit of Silas  
F. Leachman,  
filed June 10,  
1899.



Affidavit of Silas  
F. Leachman,  
filed June 10, 1899.

among talking machine men and dealers, that Leon F. Douglass is licensed by the American Graphophone Company to make duplicate sound records. I know Mr. E. D. Easton and have known him since 1893, and I know such right to make duplicate sound records was exercised by Mr. Douglass with Mr. Easton's full knowledge and consent.

I have never used any duplicating machines for the Talking Machine Company or for the Polyphone Company, and have never made any duplicate sound records for either of said companies, or for Henry B. Babson.

SILAS D. LEACHMAN.

(Endorsed) Filed June 10, 1899.

S. W. BURNHAM,  
Clerk.



(No Model.)

4 Sheets—Sheet 1.

C. A. BELL & S. TAINTER.

RECORDING AND REPRODUCING SPEECH AND OTHER SOUNDS.

No. 341,214.

Patented May 4, 1886.

Fig. 1.

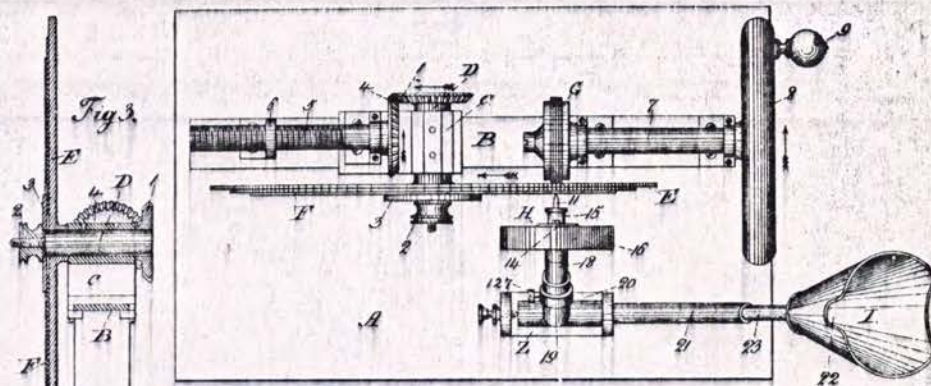


Fig. 2.

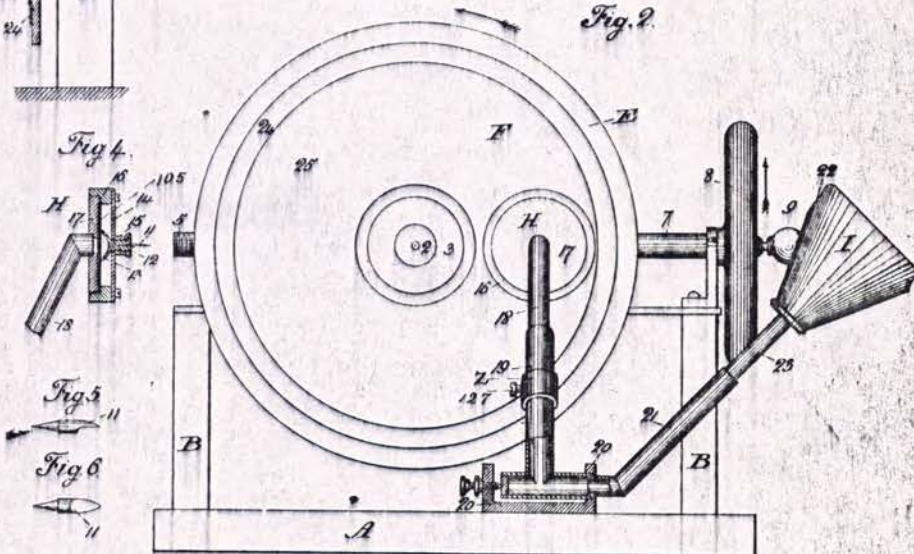


Fig. 3.



Fig. 4.



Fig. 5.



Fig. 6.



Fig. 7.



Fig. 8.



Fig. 9.



Witnesses  
W. H. Harkins, Jr.  
C. J. Hedrick

Inventors  
Chichester A. Bell  
and Sumner Tainter  
by A. H. Black  
their attorney



(No Model.)

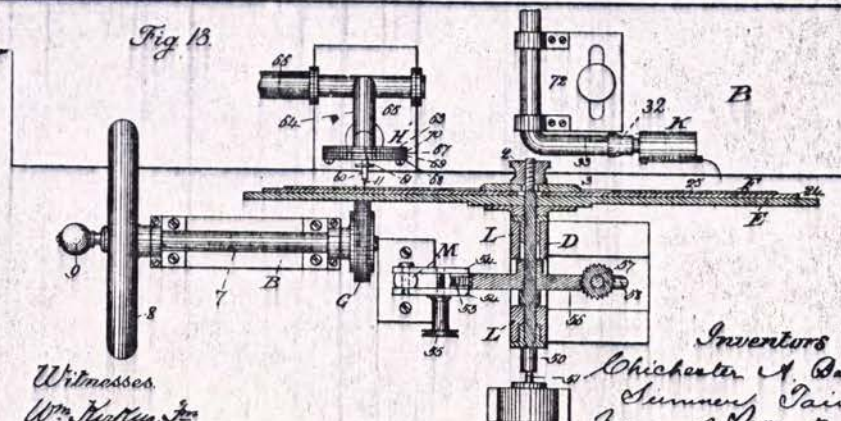
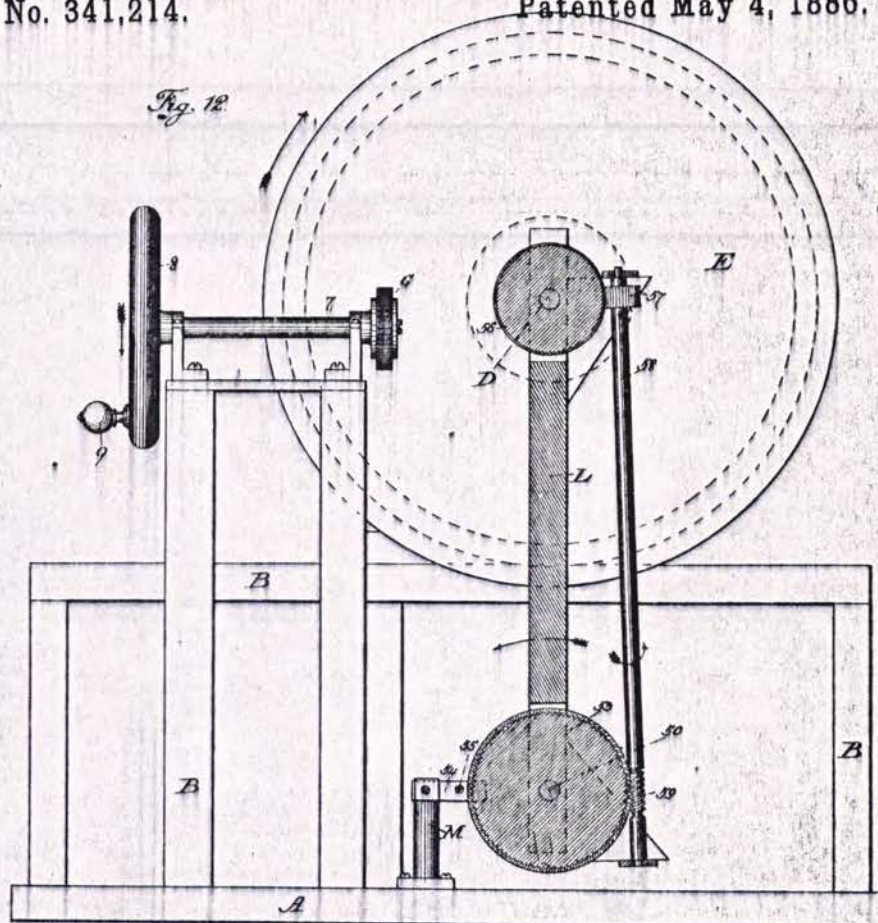
4 Sheets—Sheet 2.

C. A. BELL & S. TAINTER.

RECORDING AND REPRODUCING SPEECH AND OTHER SOUNDS.

No. 341,214.

Patented May 4, 1886.



Witnesses.  
Wm. H. H. H.  
C. J. Hendrick

Inventors  
Chester A. Bell &  
Simon Tainter,  
By A. H. Bell  
their attorneys



(No Model.)

4 Sheets—Sheet 3.

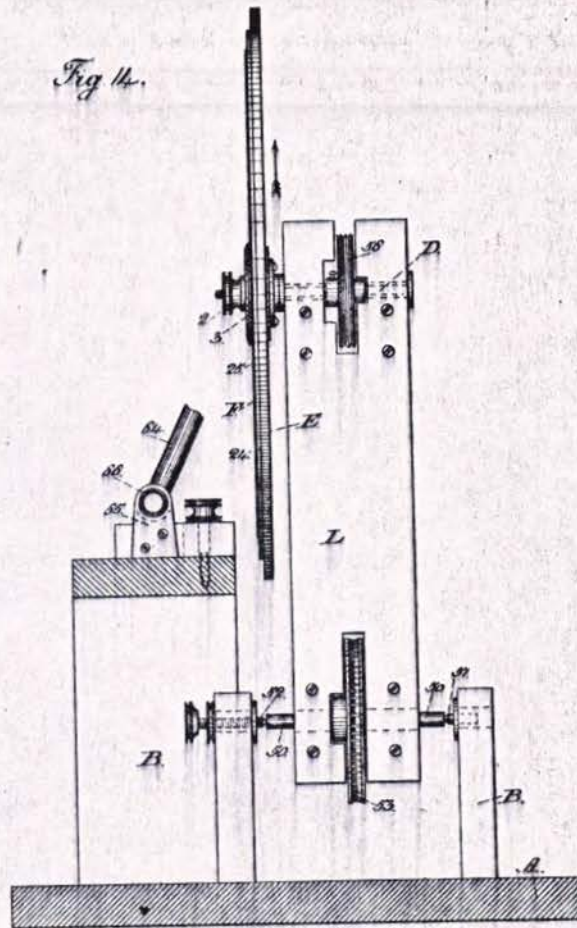
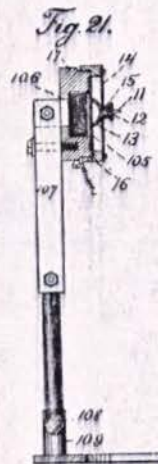
C. A. BELL & S. TAINTER.

RECORDING AND REPRODUCING SPEECH AND OTHER SOUNDS.

No. 341,214.

Patented May 4, 1886.

Fig. 14.



Witnesses

W. H. Norton, Jr.

C. J. Hedrick

Inventor  
C. A. Bell  
S. Tainter  
by A. Pollak  
their attorney



(No Model.)

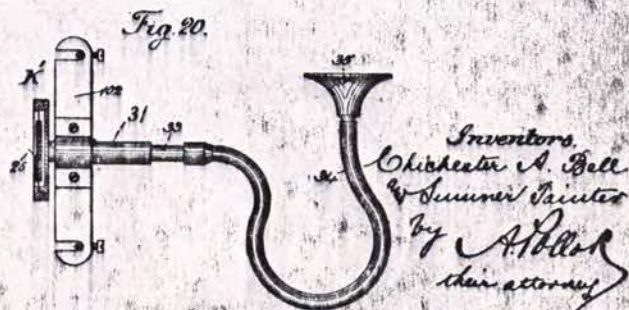
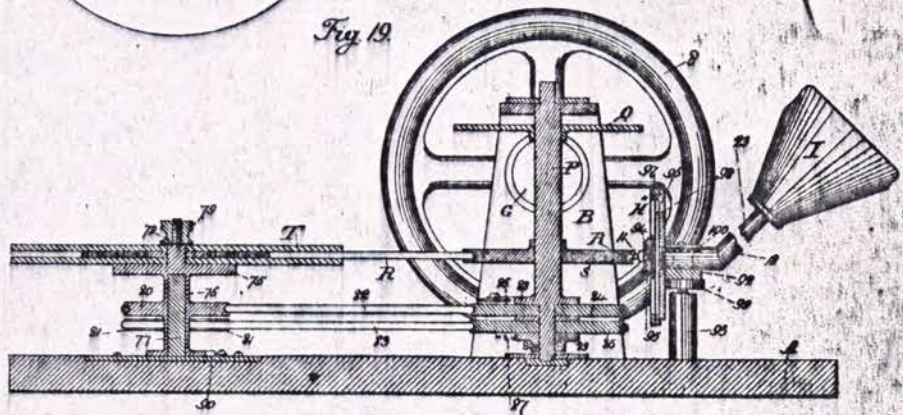
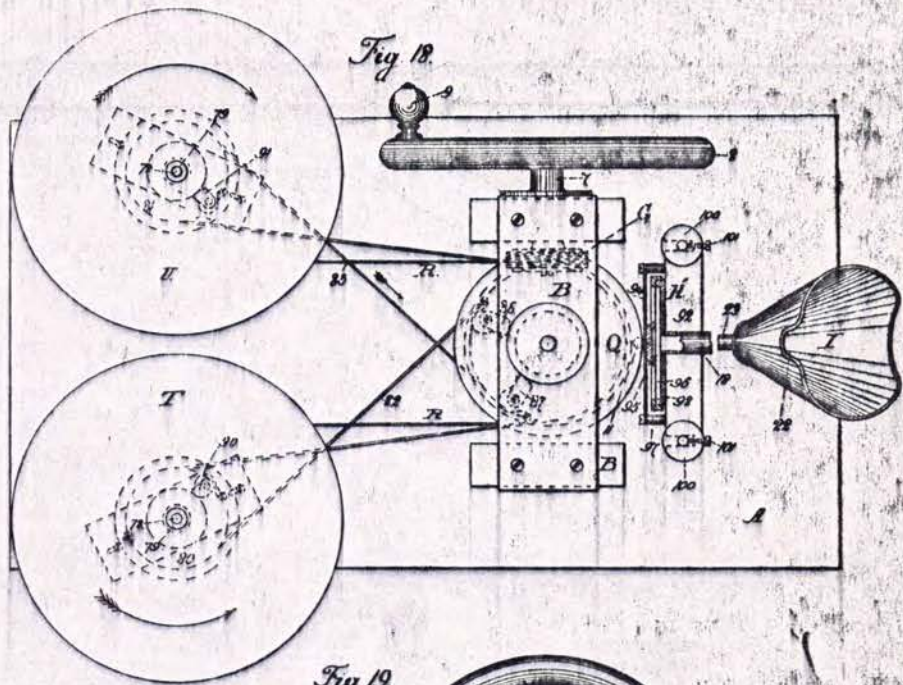
4 Sheets—Sheet 4

C. A. BELL & S. TAINTER.

RECORDING AND REPRODUCING SPEECH AND OTHER SOUNDS.

No. 341,214.

Patented May 4, 1886.



Witnesses.  
Wm. Kester, Jr.  
C. J. Hendrick

Inventors,  
Chichester A. Bell  
& Sumner Tainter  
By A. H. Bell  
their attorney



# UNITED STATES PATENT OFFICE.

CHICHESTER A. BELL AND SUMNER TAINTER, OF WASHINGTON, D. C.

## RECORDING AND REPRODUCING SPEECH AND OTHER SOUNDS.

SPECIFICATION forming part of Letters Patent No. 341,214, dated May 4, 1886.

Application filed June 27, 1885. Serial No. 170,044. (No model.)

### *To all whom it may concern:*

Be it known that we, CHICHESTER A. BELL and SUMNER TAINTER, both of Washington, in the District of Columbia, have invented a new and useful Improvement in Recording and Reproducing Speech and other Sounds, which improvement is fully set forth in the following specification.

This invention relates to the formation, in a solid substance, of elevations and depressions, or other inequalities corresponding more or less perfectly to the forms of sound-vibrations, and the reproduction, by means of such inequalities, of the sounds represented by them. The invention consists, first, in the formation of the record or "phonogram," as it has been called, by means of a cutting-style which is vibrated by the sound-waves or sonorous vibrations to be recorded. The vibrations may be impressed upon the style directly by the impact of the sound-waves upon some device mechanically connected with or carried by the cutting-style or its support, or indirectly through the action of an electric current or other suitable vibratory medium. Heretofore a large number of contrivances have been devised for converting electrical impulses into mechanical vibrations, and they could, of course, be used for vibrating the cutting-style. Otherwise they have no relation to this part of the present invention, the essential new feature of which is the removal of material to form the record by a cutting, gouging, or graving action of the vibrating style. Heretofore the vibrating style has, as in Edison's well-known phonograph, simply indented the recording material. It has been proposed to cut the record in the edge of a strip of metal or other solid material by vibrating the strip in contact with the cutting-edge of a rotary disk-cutter; but this proposal is essentially different from this invention, the new mode being applicable to cutting the record upon all sorts of surfaces, and not upon strips only, and is, besides, believed to be later in time than this invention. Under this part of the invention are included the vibratory cutting-style as a new device in a sound-recorder, and the combination of the same with other devices; also the cut or engraved record itself. In this new or improved form of record not only may a larger number of words or sounds be recorded in a given surface than has

been practicable with the indented records heretofore in use, but the recorded vibrations are also sharper and better defined. It is found that an indenting style smooths over the crests of the larger elevations, and also rubs out some of the finer ones.

The invention consists, secondly, in engraving or cutting the record in a waxy or amorphous and slightly cohesive substance. Preferably, a compound of beeswax and paraffine (the latter in excess) is employed. This compound has no tendency to clog the style, but is readily removed thereby in chips or shavings. This part of the invention also consists in a recording material composed of a wax or waxy surface on a paper or pasteboard foundation. Heretofore it has been proposed to use soft paper saturated or coated with paraffine as the material for recording by the indenting method; but its use does not appear to have been successful, and an outer layer of tin-foil was therefore employed to receive the indentations.

The invention consists, thirdly, in cutting or engraving the record in the form of a groove with sloping walls, the sound-waves being represented by elevations and depressions at the bottom of the groove or otherwise. The advantage of this form of record is that it forms an efficient guide to the reproducing-style.

The invention consists, fourthly, in loosely mounting the reproducing-style so that it can readily be guided by the record. Preferably the reproducing-style, or rather what may be called the "head" of the reproducing-instrument, is mounted on a universal joint, and the style is pressed against the record by the yielding pressure of a spring or weight. Practically in the instruments made by us the pressure is due to the weight of the instrument, modified by the elasticity of a section of soft-rubber tube, which supports the same and constitutes a universal joint; but evidently there are many devices which can be used to mount the reproducer, so that it is free to follow the sound record or phonogram, and which, therefore, would be within the spirit of the invention. The reproducing-style, mounted as just explained, is specially adapted for use in connection with a record in the form of a groove with sloping walls, and this



combination is specially claimed; but it may also be usefully employed in connection with other forms of record.

The invention consists, fifthly, in reproducing directly from the wax record. It is found that such a record has sufficient strength to withstand the rubbing action of the reproducing-style, so that a considerable number of reproductions can be obtained from it. The smoothness of the wax gives it a great advantage in this regard. So far as we are aware, no one has reproduced sounds from a wax record by rubbing a style or reproducer over it.

The invention consists, sixthly, in a reproducer or reproducing-instrument in which the reproducing-style, instead of being placed behind its support, projects at the point beyond the edge thereof. One practical advantage of this is that it enables the position of the style on the record or phonogram readily to be observed.

The invention consists, seventhly, in cutting the sound-record in a fusible material, (the waxy compound before referred to, for example,) and then melting the surface slightly, so as to remove any roughness left by the cutting-style. These roughnesses are altogether outside of the sound-vibrations, and give rise in reproducing to scraping noises, which interfere with the intelligibility of the sounds reproduced. These scraping noises are greater with some other modes of reproducing which we have devised, and which will form the subject of other patents, than they are with a rubbing style; but even with the latter the additional smoothness given to the surface by the partial fusion has some advantage.

The invention consists, eighthly, in a sound-recorder having a cutting or graving style which is held by elastic or yielding pressure against the surface on which the record is to be made. The object is to enable the vibratory graver or cutting style to ride over instead of plowing through any elevations on the recording-surface. The depth to which the point of the cutting-style is embedded in the record affects the amplitude of the style's vibration. By this improvement the depth is kept uniform, notwithstanding any slight unevenness of the recording-surface.

The invention consists, ninthly, in having the recorder, of whatever description, or the reproducer, or both, rest against the tablet or recording material by gravity.

The invention consists, tenthly, in combining with a sound-recorder or recording-instrument of any suitable description, and specially with one having a cutting-style, a tube or hollow standard on which the recorder is mounted, and through which the sound-waves are conveyed to the same. This part of the invention also consists in supporting this hollow standard on a hinge, and having a sound-conveying tube communicate with the interior thereof through the hinge. This part of the invention further consists in supporting the reproducer or reproducing-instrument on a

hollow sound-conveying standard, the same as explained with respect to the recorder, and in similarly connecting the hollow standard of the reproducer with an exterior sound-conveying tube.

The invention consists, eleventhly, in combining with the recorder a mouth-piece so shaped as to include the nose of the user. It is found desirable to concentrate the sound-waves as much as possible upon the recording instrument or style, and if an ordinary mouth-piece be used the sound reproduced from the record is imperfect in the nasal elements, and sounds somewhat like the speech of a person with a cold in his head. By the use of the improved mouth-piece this disagreeable quality of the reproduced sound is avoided.

The invention consists, twelfthly, in a reproducer in which the sonorous vibrations impressed by the record upon the style are by the latter communicated to a block, plate, or other body of hard rubber, and through said body are transmitted to the air or to other vibratory medium. It is found that this material (hard rubber) gives much purer sounds than metal and other substances heretofore employed. It appears to absorb minute vibrations which give rise to scratching noises, and also to communicate sonorous vibrations without at the same time adding any foreign vibrations due to the movements of its own particles among themselves. The result is probably due to the high elasticity and the homogeneity of hard rubber.

The invention consists, thirteenthly, in combining with the disk of a recording and reproducing apparatus, in which the record is formed on the face of said disk in a volute or spiral by cutting or otherwise by any known or suitable means mechanism for giving to said disk a uniform surface-speed under the recorder. Heretofore when the record was formed on the face of a disk the latter has been given a uniform rotation, so that the same number of words were recorded in the outermost circles as in the smaller inner ones. By giving to the disk a uniform surface-speed under the recorder, or by making the times of each rotation inversely proportional to the distance of the recorder from the center of the disk, the record of any given word or sound will be of the same length at whatever part of the disk it may be, and in this way it is possible considerably to increase the number of words or sounds on a given area.

The invention further comprises certain special instructions, combinations, and arrangement of parts, as hereinafter set forth.

Having now explained the principle of the invention, the manner in which the same is or may be applied will now be explained with reference to the accompanying drawings, which make part of this specification.

Figure 1 is a plan view of an apparatus constructed in accordance with the invention, arranged for recording; Figs. 2 and 3, respectively, a front elevation and cross-section of



thesame; Fig. 4, a view in section and elevation of the recorder; Figs. 5 and 6, views on an enlarged scale of the graver or cutting style; Figs. 7 and 8, views in elevation and section, respectively, of the reproducer; Figs. 9 and 10, similar views of another form of reproducer, and Fig. 11 an elevation of the sound-conveying tube for use with the reproducer. Figs. 12 to 17 represent a modified form of apparatus, Fig. 12 being a back view, partly in section; Fig. 13, a plan, partly in section; Fig. 14, an edge view, partly in section; Figs. 15 and 16, views in elevation and section of the recorder, and Fig. 17 an edge view of a friction-clamp making part of the apparatus. Figs. 18 and 19 are plan and longitudinal sections, respectively, of a form of apparatus also constructed in accordance with the invention, or with parts thereof in which the record is made on a strip, and Fig. 20 a plan, partly in section, of the reproducer for use with such apparatus. Fig. 21 is a view of a recorder in which the style is operated electrically.

Referring to Figs. 1 to 11, A is the base or bed of the apparatus, and B an upright frame, which carries the mechanism for supporting and moving the tablet F, (shown as a disk,) on which the record is to be or has been formed. In the slide C, movable in ways of the frame B, is journaled an arbor, D, on which are fixed a metal disk, E, at one end and a bevel-gear, 1, at the other. The arbor projects beyond the metal disk E, so as to form a support for the recording-tablet F, which is retained thereon by the nut 2 and washer 3. The metal disk E performs the double function of a friction-wheel and of a backing to the recording-tablet F. The bevel-gear 1 engages a similar gear, 4, on the end of the screw 5, which is journaled in a bearing in the slide C, and is tapped through a stationary lug, 6, on the frame B. As the arbor D is revolved, the screw 5 is turned also, and in consequence of its engagement with the lug 6 it moves the slide C lengthwise of the frame B. The rotation is communicated to the arbor from the shaft 7, journaled in bearings of the frame B, and provided at one end with a fly-wheel, 8, and crank-handle 9, and at the other with a friction-pinion, 4. This pinion is formed, as shown, of rubber disks clamped together between metal washers. It bears against the back of metal disk E, and communicates motion to it. As the slide C is moved by the action of the screw 5, the metal disk E is carried past the friction-pinion, so that it touches the metal disk in a spiral line, and serves to give a uniform surface-speed to each part of the disk as it in turn comes opposite said pinion. The recorder H is placed on the opposite side of the metal disk E, preferably as shown, with the point of the graver or cutting style 11 directly opposite the point where the pinion G touches the disk E. The said pinion 65 thus acts as a support to the disk against the action of the cutting or recording style. The latter is preferably formed of a round

wire by turning the end conical and rounding the extremity, and then grinding off one side to the axis of the wire. This leaves sharp cutting-edges on both sides of the tapering point. These edges remove the material in chips or shavings, like a plane or turning-tool. It is not essential to give this form to the style. Any form which will remove the material and not simply displace it will answer. The style is set in one end of a block, 12, provided on the opposite end with a cup, 13, (see Fig. 4,) and secured in the cross-piece 14 by the nut 15. The cross-piece 14 is fastened to a ring, 16, into which a back plate, 17, is secured. These parts, except the steel style, are preferably of hard rubber, although they could be made of another material—of brass, for example. A sound-conveying tube, 18, is screwed into the back plate, 17, the end being just behind the cup 13. A diaphragm, 105, of any suitable material, whose edges are clamped between the ring 16 and back plate, 17, is placed behind the cup 13, which is pressed against said diaphragm by the elasticity of cross-piece 14. The cup 13 and block 12 serve to communicate the vibrations from the diaphragm to the recording-style.

The tube 18 forms part of a hollow standard, upon which the recorder is mounted. The lower part, 19, of this standard is hinged in the bracket 20, as clearly shown in Fig. 2, so that it can be rocked to bring the recorder into or put it out of action.

On the tube or standard 19 is a ring-weight, Z, which is retained in position by a set-screw, 127. It therefore can be adjusted up or down, in order to increase or diminish the pressure of the style 11 against the tablet F. The use of this weight is desirable, but not necessary.

The tube 21 communicates with the interior of the hollow standard through the hinge, and does not therefore interfere with its freedom of motion. This tube 21 can be fixed in the bracket or can be allowed to turn, as may be preferred.

The mouth-piece I is shaped to fit the face of the user, and is provided with a notch, 22, to receive the nose. It is attached to the tube 23, which at its lower end fits snugly in the tube 21 and communicates through the series of tubes 23, 21, 19, and 18 with the space inside and back of the cup 13.

In operation the recorder rests by its own weight, assisted by the pressure of weight Z, or by its own weight alone, if preferred, against the recording-tablet F, said weight causing the style to embed itself to the proper extent in the recording material. The sonorous vibrations impressed upon the style are so rapid, as well as so minute, that the record is made as perfectly as if the recorder were held positively, while at the same time the recorder can be moved bodily to conform to the unevenness of the surface of the tablet, and thus keep uniform the depth at which the style operates.

The tablet F consists of a paper or paste-board foundation, 24, with a coating, 25, of



wax. A composition excellently adapted to the purpose, and according to our experience the best, consists of one part, by weight, of white beeswax and two parts of paraffine. The two bodies are melted together, and if not perfectly free from dirt and grit should be filtered. A filtration through cotton-wool will answer. The coating is or may be about one-twentieth of an inch in thickness, (the paper being one-tenth of an inch, more or less,) and can be made by flowing the melted composition over the paper disk or foundation. The surface is preferably turned off flat on a lathe.

In order to place the tablet in the machine, the recorder H is turned back out of the way. When the tablet has been secured in place, the recorder is turned forward into the position shown, the style resting against and slightly penetrating the wax coating. A penetration of one one-hundredth of an inch has been found very effective, the style being formed of No. 16 wire shaped at the cutting end as in Figs. 5 and 6. Upon turning the fly-wheel 8 the disk E and tablet F will be turned, and the style H will cut or engrave a spiral line in the wax coating of the tablet. If one talks into the mouth-piece I, the style will be thrown into vibrations corresponding to the spoken words, and the engraved line will be of varying character, the inequalities or variations from uniformity representing the forms of the sound-waves.

The reproducer K, (shown in Figs. 7 and 8,) for reproducing from the engraved tablet or from other suitable record the sounds which formed said records, has a reproducing-style, 26, formed of a narrow metal strip bent near the end, as shown in Fig. 8, and pointed, as shown in Fig. 7. This style is held by cementing, riveting, or otherwise, between the strip 27 and the circular plate 28, both preferably of hard rubber. The strip 27 is fastened at the bottom to an offset on the block 29, in which a passage is formed for the sound-waves. This passage terminates just behind the plate 28. There is a fixed disk, 30, of the same size as the movable plate 28. It is cemented or otherwise fastened on the face of the block, and is perforated at the center, in order not to obstruct the opening therein. The plate 28 is close to but not in contact with the disk. The tube 31, fixed at the upper end to the block 29, is joined at the lower end to the tube 33 by a section of soft flexible vulcanized-rubber tubing, 32. For use the tube 33 is slipped into the tube 19 in the manner shown for the tube 18 of the recorder.

The reproducer K when so placed is mounted upon a hollow standard composed of the tubes or tubing 31, 32, 33, and 19, and in consequence of the flexibility of the rubber tubing 32 it is free to follow the record. No special care is necessary to insure its adjustment, for if the reproducer K be allowed to rest against the record with the style upon the engraved line the style will of itself gravitate to the bottom of the groove.

There exists always a liability to disarrangement in some part of the machine either in the recorder or the support therefor or the recording-tablet or its support, or if there be no disarrangement it would be difficult to insure that the reproducing-style should touch the record precisely at the proper point if the reproducer be held rigidly. Difficulties of these accounts are avoided by the loose or flexible mounting of the reproducer, the style automatically adjusting itself to the proper place on the record. It will be seen that the reproducer is mounted on a universal joint, so that it can move in any direction. The movement parallel with the face of the tablet would however, by itself allow the style to follow and adjust itself to the record to a useful extent.

In operation the reproducer K is placed against the record, and on turning the wheel 8 in the same direction and at about the same speed that it was turned in recording, the record will move the style 26 and plate 28, so as to throw the air in the hollow standard in vibrations, and produce sound-waves similar to those which originally acted upon the recording-style to make the record. The reproduced sounds are audible by placing the ear in proximity to the mouth-piece I; but it is preferred to withdraw said mouth-piece, and to connect the flexible tube 34 (see Fig. 1) with the tube 21 and listen at the ear-piece J. After the record has been cut it will of course be understood that the machine is turned back to the starting-point for reproducing. The surface of the cut record can be rendered more smooth by removing the engraved tablet from the machine and exposing the surface to heat—as, for example, by rotating the tablet face downward over an alcohol-lamp until the surface begins to glisten. Of course a long exposure would destroy the record. It is the merest surface action that is required. The record can be used for reproducing without submitting it to this operation and without removing it from the machine. It may however, be removed, and at any time thereafter replaced on the same or a similar machine, and be made to reproduce the original sounds.

The reproducer K' (shown in Figs. 9 and 10) has the style 26 attached to the outer two light plates, 36 and 37, which are attached to a diaphragm, 38, of thin sheet rubber clamped at the edges between the ring 39 at the border of the back plate, 40. The tube 31 is fastened in the back plate.

It will be observed that in both forms of producer the style 26 projects beyond the end or end of the instrument, so that the position of its point on the record can be easily seen.

Referring now to Figs. 12 to 17, A is a bed, B an upright frame, D an arbor, I a metal disk, F the tablet, and G a friction-plate, as in Figs. 1 to 11. The nut 2 and washers 3, the shaft 7, wheel 8, and crank 9, and the per disk 24 and wax coating 25 are identical with the parts similarly numbered in Figs.



2, and 3. The arbor D, instead of being journaled in a slide, is carried by an arm, L, which is supported by and is fixed on the short shaft 50. This shaft is supported on centers 51 and 52, so that the arm L can be rocked. The worm-wheel 53, loosely mounted on the shaft 50, is held stationary by the clamp M, the jaws 54 fitting on either side of the wheel, and being pressed against it by the thumb-screw 55. The arbor D carries a screw-wheel, 56, which engages the worm-pinion 57 at the upper end of shaft 58. The screw 59 at the lower end of the shaft engages the worm-wheel 53. This shaft 58 and the gears 57 and 59 carried thereby prevent the arm L being turned independently of the worm-wheel 53, except as the said shaft is rotated. As the arbor D, disk E, and tablet F are rotated, the screw 56 turns the shaft 58, and consequently—the worm-wheel 53 being held stationary by the clamp M—the arm L is swung gradually to one side, so that the recorder engraves a spiral line on the wax face of the tablet. When the record has been cut, it is only necessary, in order to restore the tablet to the starting-point for reproducing, to draw back the recorder and to loosen clamp M, when arm L can be moved at once to the proper position.

A recorder constructed and mounted precisely as in Figs. 1, 2, 3, and 4 could be used in this machine; but, as shown, the recording-instrument II' is modified to some extent. The cutting-style 11 (which is the same as that of Figs. 4 to 6) is set into a block, 60, carried by a metal strip, 61. This is fastened to a block, 62, at the lower end of a back piece, 63, which is attached to the upper end of the tube 64, which forms the hollow standard for the recorder, and which is mounted on the bracket 65, so as to be capable of being turned to put the record into or out of action. The sound-conveying tube 66 corresponding to tube 21 of Figs. 1 and 2 communicates through the hinge with the interior of the tube 64. In front of the opening at the upper end of tube 64 is stretched a diaphragm, 67, of thin sheet metal, or it may be of other membrane or material, its edges being clamped between the ring 68 and back piece, 63, soft-rubber rings 69 and 70 being interposed one on each side of the diaphragm. On the opposite side of the diaphragm 67 from the tube 64 a light plate, 71, of metal cupped in the center, is held against the diaphragm by the pressure of the strip 61, a projection on the back of said strip bearing against the said plate 71.

In this machine the reproducer K, instead of being mounted on the same bracket as the recorder when the latter has been removed, is carried by a separate bracket, 72, the tube 33 being hinged thereto, so that the recorder and reproducer remain, or may remain, always attached to the machine, it only being necessary to turn one or the other into position, as may be required.

Referring to Figs. 18 to 20, A is the base or

bed, B an upright frame, 7 the driving-shaft, 8 the fly-wheel, 9 the operating-crank handle, and G the friction-pinion, as in Figs. 1 and 2. The arbor P is supported in an upright position in bearings of the frame A B, and is revolved by the friction-pinion G engaging the friction-disk Q. The record is made on a wax-coated strip, R, of paper, which is passed around the periphery of the disk S in the groove formed thereon. As the strip passes in front of the recorder or reproducer, it is wound off one reel—say the reel T—and upon the other reel, U. The strip can be wound back upon the reel T when desired. Each reel rests by its own weight upon a platform or flange, 75, at the upper end of a hollow shaft, 76, which turns upon a stud, 77, fastened at the base to the bed B. A pin, 78, passes through the center of the reel, and forms a journal for it to turn upon. A nut, 79, holds the reel on, and may be used to bind it with more or less tension. On each shaft 76 is a belt-pulley, 80 and 81, respectively, driven by a crossed belt, 82 or 83, from a pulley, 84 and 85, on the arbor P. These pulleys 84 and 85 are loose upon the arbor, but are provided each with a clutch, 86 and 87, so placed (see Fig. 18) that when the arbor is turned to the left the clutch 87 engages the hub 89 on the arbor, and the pulley 85 is turned therewith, while when turned to the right the clutch 86 engages the hub 88. Each shaft 76 has a stop-clutch, 90 and 91, respectively, which holds it stationary when the strip is being wound on the other reel. Thus, when the arbor P is turned to the left the reel U is revolved in the direction indicated by the arrow, and the sleeve-supporting reel T is held stationary. The strip is thus stretched at all times, the degree of tension depending upon the friction between the reels and their supporting-flanges 75. The recorder II' is carried by a cross-piece, 92, supported by posts 93. The style 11 is carried by a cross-piece, 94, to which it is attached by means of the cup 95, of hard rubber, which forms a nut on the screw-threaded shank of the style, and said cup rests against a mica diaphragm, 96, whose edges are clamped between the screw-ring 97 and the back plate, 98. The tube 18, screwed into the back plate, is fastened by soldering or otherwise to the cross-piece 92. The tube 23 of the mouth-piece I fits into said tube 18. The ends of the cross-piece 92 are slotted to fit around the screws at the top of posts 93 and rest upon nuts 99, and are clamped by nuts 100. By means of these nuts the vertical position of the recorder can be adjusted. After one line has been engraved on the strip, the recorder can be adjusted to engrave as many additional lines parallel thereto as the strip will receive. The slots in the cross-piece 92 allow the recorder to be moved toward and away from the strip, so as to regulate the depth of the engraved line. To insure a greater nicety of adjustment, screws 101 are



tapped through the metal at the closed end of the slots, and bear at the point against the supporting-screws.

The reproducer K', Fig. 20, is similar to that shown in Figs. 9 and 10, except that the style 26 is so placed that the point is at the center instead of projecting beyond the edge of the instrument. Its position on the record is therefore not so readily seen; but with the form of machine shown in these figures this is less important. The same may be said of the loose mounting of the reproducer, although in point of fact the thin rubber diaphragm 38 gives a certain lateral play to the style. The tube 31 is rigidly fastened to a cross-piece, 102, identical with the cross-piece 92, and with said tube 31 the bearing-tube 30 and ear-piece 35 are connected.

The paper strip can be easily coated with the beeswax and paraffine compound by running the same through a body of melted composition and scraping one side, leaving what adheres to the other to harden thereon.

In Fig. 21 an arrangement for operating the recorder by electro-magnetism is shown. The magnet 107 is mounted on a bar, 108, journaled in bearings in standards 109. It is provided with a bobbin, 106, of wire, surrounding the pole-piece, which bobbin is included in a circuit over which electrical undulations are caused to pass by any suitable transmitting-instrument—for example, such as commonly employed on telephone-lines. In front of the pole-piece or core of the bobbin is a diaphragm, 105, of magnetic material, whose edges are clamped between the ring 16 and back plate 17. The cup 13 should always be in contact with diaphragm 105, and is pressed against it by the spring of piece 11. This cup, as well as the style 11, block 12, nut 15, and cross-piece 14, is the same as in the recorder II of Figs. 1 and 6.

It is evident that various modifications other than those indicated can be made and the invention still be employed in whole or in part, and also that parts of the invention may be used separately.

In the foregoing description details have been given with some minuteness. This has been done to furnish the best information in our power for enabling those skilled in the art to make and use the invention, and not with the intention of limiting the invention to the precise dimensions, proportions, shapes, and materials stated.

A means has been shown for impressing vibrations upon the recording-style by an electrical current through the intermediary of an electro-magnet, in a manner similar to that in which the diaphragm of an ordinary receiving-telephone has been vibrated.

It is evident that other means heretofore used for vibrating a diaphragm could be used in place of the magnet; also, it is evident that the vibrations of the reproducing-style could be taken up and transmitted by the means heretofore used for taking up and transmit-

ting vibrations, (those of a telephone diaphragm, for example.)

The term "cutting" is herein employed to indicate an action in which the material is removed in chips, shavings, or other small pieces—as in engraving, turning, and the like—and not simply displaced.

The displacement of the material is not only a different operation from the cutting contemplated by this invention, but is not calculated to accomplish the objects for which cutting or graving is employed.

Having now fully described our said invention and the manner in which the same is or may be carried into effect, what we claim is—

1. The method of forming a record of sounds by impressing sonorous vibrations upon a style, and thereby cutting in a solid body the record corresponding in form to the sound waves, in contradistinction to the formation of sound-records by indenting a foil with a vibratory style, or cutting a strip by vibrating it against a revolving disk-cutter, substantially as described.

2. The method of forming a sound-record by impressing the sonorous vibrations upon a style in a direction at right angles to the recording-surface, and thereby cutting in a solid body a series of elevations and depressions of varying depth, corresponding in form to the sound-waves, substantially as described.

3. The vibratory cutting-style of a sound-recorder, substantially as described.

4. The cutting-style, in combination with a support permitting the same to be vibrated, and means for impressing sonorous vibrations thereon, substantially as described.

5. A vibratory cutting-style, in combination with a sound-conveying tube for concentrating the sound-waves upon the style, substantially as described.

6. A vibratory cutting-style, in combination with a tablet or other solid body in which the record is to be cut, and mechanism for supporting the same and moving it with reference to the said style, substantially as described.

7. A sound-record consisting of a tablet or other solid body having its surface cut or engraved with narrow lines of irregular or varied form corresponding to sound-waves, substantially as described.

8. A sound-record consisting of a tablet or solid body having its surface cut or engraved with a number of lines of variable cross-section, the irregularities or variations corresponding in form to sound-waves, substantially as described.

9. The method of forming a sound or speech record which consists in engraving or cutting the same in wax or a wax-like composition, substantially as described.

10. The sound or speech record cut or engraved in wax or a wax-like composition, substantially as described.

11. The recording-tablet of a phonograph or sound-recording machine, having as the material for recording sounds or sonorous vibra-



tions the composition of beeswax and paraffine, substantially as described.

12. The sound or speech record cut or engraved in a wax-like composition, such as the compound of beeswax and paraffine, substantially as described.

13. A tablet or body for recording sound-vibrations, consisting of a paper or pasteboard foundation and a surface-coating of beeswax and paraffine compound, substantially as described.

14. The sound or speech record cut or engraved in a wax-like composition, such as the described compound of beeswax and paraffine, constituting a surface-coating to a paper or pasteboard foundation, substantially as described.

15. The method of making a sound or speech record which consists in engraving or cutting in the recording material an irregular groove with sloping walls, the shape of the groove representing the sound-vibrations, substantially as described.

16. The method of making a sound or speech record which consists in cutting in the recording material a groove with sloping walls and of variable cross-section, the variations corresponding in form to sound-waves, substantially as described.

17. The sound-record in the form of an irregular groove with sloping walls cut in solid material, substantially as described.

18. The sound-record cut in wax or wax-like composition in the form of an irregular groove with sloping walls, substantially as described.

19. The combination, with a reproducing-style, of a mounting therefor, which leaves said style-face to move laterally, and thereby adjust itself automatically to a sound-record, substantially as described.

20. The reproducer loosely mounted on a suitable support, so that the reproducing-style is capable of a lateral movement, and may in consequence thereof adjust itself automatically on the record, substantially as described.

21. The reproducer mounted on a universal joint and held against the record by yielding pressure, substantially as described.

22. The combination, with a grooved tablet or other body having a sound-record formed therein, of a reproducer having a rubbing-style loosely mounted, so that it is free to move laterally, and thus adjust itself to the groove, substantially as described.

23. The combination, with the tablet or other body having the sound record formed therein as an irregular groove with sloping walls, of a reproducer having a style for rubbing over said record and mounted on a universal joint, substantially as described.

24. The combination, with a sound-record formed in wax or a wax-like material, of a reproducer having a rubbing style for receiving sonorous vibrations from said record, substantially as described.

25. A reproducer having a style projecting

beyond the edge or end of the instrument, so that the position of the point of the style on the record may readily be seen, substantially as described.

26. In a reproducer, the combination, with a vibratory plate or diaphragm, of a reproducing-style fastened flatwise on said plate or diaphragm and bent at the end, substantially as described.

27. The method of recording and reproducing sounds by cutting the record in a wax or wax-like material, and then rubbing over the record the style of a suitable reproducing-instrument, so as to impress sonorous vibrations on said style, substantially as described.

28. The method of improving a sound-record which consists in producing an incipient fusion of the surface, substantially as described.

29. The improvement in preparing a sound-record, consisting in cutting the record in a fusible material, and then producing an incipient fusion of the surface, substantially as described.

30. The sound-recorder having a vibratory cutting-style held against the recording material by yielding pressure, substantially as described.

31. The recording instrument having a vibratory cutting-style and mounted on a hinged arm, substantially as described.

32. The combination, with the tablet or body in which the sound-record is to be made, of the recording-instrument mounted on a hinged arm and resting by gravity against the tablet, substantially as described.

33. The recorder mounted on a hollow arm or standard, which constitutes also a sound-conveyer, substantially as described.

34. The recorder mounted upon an arm or standard hinged to its bracket or base, and provided with a sound-conveyer extending lengthwise of said arm, substantially as described.

35. The recorder mounted upon a hinged arm, and combined with a sound-conveyer which extends lengthwise of the arm, and is connected at the hinge with an exterior sound-conveyer, substantially as described.

36. The reproducer mounted upon a hollow standard which forms a sound-conveyer, substantially as described.

37. The reproducer mounted on a hinged arm, and provided with a sound-conveyer extending lengthwise of said arm, substantially as described.

38. The reproducer mounted on a hinged arm, and provided with a sound-conveyer extending lengthwise of said arm, and connected at the hinge with an exterior sound-conveyer, substantially as described.

39. The combination, with a sound-recorder, of a mouth-piece shaped to surround the mouth and nose of the user, and to concentrate the sound upon the recording device, substantially as described.

40. The combination, with the tablet, in the



form of a disk, and a recorder or reproducer, of mechanism for causing a spiral line to be traced on the disk by the recorder or reproducer at a uniform surface-speed, substantially as described.

41. The combination, with the tablet, in the form of a disk, the arbor, and the metal disk operating as a friction-wheel, of the slide, or its equivalent, such as herein shown, in which said arbor is journaled, and the friction-pinion for revolving said disk, substantially as described.

42. The combination, with the recorder or the reproducer, the disk, the arbor, and the laterally-movable support to the arbor, of the friction-pinion placed behind and bearing against the disk at a point opposite the recorder or reproducer, substantially as described.

43. The combination, with a recording-style and the support therefor, of a cup on the back of said support, and the sound-conveying tube terminating just behind the cup, substantially as described.

44. In combination with the style of a sound-reproducer, a vibratory body or plate of hard rubber, upon which vibrations are impressed by said style, and through which they are transmitted, substantially as described.

45. A tablet provided with a wax or wax-like coating, and having engraved in said coating a spiral line with inequalities or irregularities corresponding in form to sound-waves, substantially as described.

46. A tablet provided with a coating of wax or wax-like composition, and having a sound-record engraved in said coating, said engraved coating having the glazed surface which results from an incipient fusion of the wax after cutting or engraving the record, substantially as described.

47. In combination with a sound-recorder, a flaring mouth-piece shaped to fit over the face of the user and to include his nose, and communicating through a tube or contracted opening with the space behind the diaphragm of said recorder, substantially as described.

In testimony whereof we have signed this specification in presence of two subscribing witnesses.

CHICHESTER A. BELL,  
SUMNER TANTER.

Witnesses:

PHILIP MAURO,  
C. J. HEDRICK.



117 And on the same day, to-wit, the 10th day of June, 1899, in the record of proceedings in said entitled cause, before the Hon. Christian C. Kohlsaat, District Judge, appears the following entry, to-wit:

ORDER.

CIRCUIT COURT OF THE UNITED STATES,

Northern District of Illinois,

Northern Division.

Saturday, June 10, 1899.

Present, Hon. Christian C. Kohlsaat, District Judge.

The American Graphophone Company, }  
25,186 vs.  
Talking Machine Company, et al. }

Now come the parties by their solicitors. Now comes on to be heard the motion of complainant for preliminary injunction herein. Entry, June 10, 1899.

The Court after hearing said motion and the arguments of counsel thereon takes the matter under advisement.

218 Afterwards, to-wit, on the 28th day of June, 1899, in the record of proceedings of said Court in said entitled cause, before the Hon. Christian C. Kohlsaat, District Judge, appears the following entry, to-wit:



## ORDER.

## CIRCUIT COURT OF THE UNITED STATES,

Northern District of Illinois,

Northern Division.

Wednesday, June 28, 1899.

Present, Hon. Christian C. Kohlsaat, District Judge.

American Graphophone Company,  
25,186 vs.  
Talking Machine Company, Polyphone } No. 25,186.  
Company, Leon F. Douglass and  
Henry B. Babson.

Order, entered  
June 10, 1899.

The court having fully considered the motion for a preliminary injunction in this cause which was heard on the tenth day of June, 1899, doth hereby deny said motion. And doth further order that the indemnifying bond heretofore given on the vacation of the restraining order be released, and that the property of the defendants seized under the restraining order be returned to the defendants.

And on, to wit, the 5th day of July, 1899, there was filed 219 in the office of the clerk of said court the petition of appeal and assignments of error of complainant, in the following words and figures, to wit:

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720 IN THE CIRCUIT COURT OF THE UNITED STATES,

For the Northern Division of the

Northern District of Illinois.

American Graphophone Company, Complainant,	} In Chancery. Gen. No. 25,186.
vs.	
Leon F. Douglass, Talking Machine Com- pany, Polyphone Company, Henry B. Babson and Silas F. Leachman,	
Defendants.	

PETITION OF APPEAL.

The above named complainant conceiving itself aggrieved by the order refusing to grant complainant's motion for an injunction *pendente lite* made and entered on the 28th day of June, 1899, in the above entitled cause, doth hereby appeal from said order to the United States Circuit Court of Appeals for the Seventh Circuit, for the reasons specified in the assignment of errors, which is filed herewith, and it prays that this appeal may be allowed, and that a transcript of the record, proceedings and papers upon which said order was made, duly authenticated, may be sent to the United States Circuit Court of Appeals for the Seventh Circuit.

Chicago, Ill., July 1st, 1899.

Petition of Appeal,  
filed July 6, 1899.

POOLE & BROWN,  
Solicitors for Complainant.

TAYLOR E. BROWN,  
Of Counsel.

The foregoing claim of appeal is allowed, the amount of the appeal bond being hereby fixed at \$250.

Milwaukee, Wis., July 3d, 1899.

JAS. G. JENKINS,  
Circuit Judge.

(Endorsed) Filed July 5, 1899.

S. W. BURNHAM,  
Clerk.



## 221 IN THE CIRCUIT COURT OF THE UNITED STATES.

For the Northern Division of the Northern  
District of Illinois.

<p>American Graphophone Company, Complainant,</p> <p>vs.</p> <p>Leon F. Douglass, Talking Machine Company, Polyphone Company, Henry B. Babson and Silas F. Leachman, Defendants.</p>	}	<p>In Chancery. Gen. No. 25,186.</p>
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## ASSIGNMENT OF ERROR.

Assignment of error,  
filed July 8,  
1899.

And now on this first day of July, 1899, comes the said complainant by Poole & Brown, its solicitors, and says that the order in said cause is erroneous and against the just rights of said complainant for the following reason:

That the court erred in denying complainant's motion, and in refusing to order the issuing of the injunction as prayed.

Where, said complainant prays that the said order may be reversed and that the said Court may be directed to enter an order for an injunction pendente lite in accordance with the prayer of the bill.

POOLE & BROWN,  
Solicitors for Complainant.

TAYLOR E. BROWN,  
Of Counsel.

(Endorsed) Filed July 5, 1899.

S. W. BURNHAM,  
Clerk.

222 And, on, to-wit, the 10th day of July, 1899, there was filed in the Office of the Clerk of said Court, the Bond on Appeal of American Graphophone Company, in the words and figures following, to-wit:—

## BOND ON APPEAL.

Bond on appeal,  
filed July 10,  
1899.

Know all men by these presents, that we, American Graphophone Company as principal, and Rudolph G. Giesler, Chicago, Illinois, as sureties, are held and firmly bound unto Leon F. Doug-

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Leon F. Douglass, Talking Machine Company, Polyphone Company, Henry B. Babson, and Silas F. Leachman in the full and just sum of Two Hundred and Fifty Dollars to be paid to the said Leon F. Douglass, Talking Machine Company, Polyphone Company, Henry B. Babson and Silas F. Leachman, their certain attorney, executors, administrators or assigns; to which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators jointly and severally, by these presents. Sealed with our seals and dated this third day of July in the year of our Lord one thousand eight hundred and ninety-nine.

Bond on appeal.  
Filed July 10,  
1899.

Whereas, lately at a Circuit Court of the United States for the Northern Division of the Northern District of Illinois in a suit depending in said Court, between American Graphophone Company, Complainant, and Leon F. Douglass, Talking Machine Company, Polyphone Company, Henry B. Babson and Silas F. Leachman an Order was rendered against the said American Graphophone Company and the said American Graphophone Company having obtained an appeal and filed a copy thereof in the Clerk's Office of the said Court to reverse the said order in the aforesaid suit, and a citation directed to the said Leon F. Douglass, Talking Machine Company, Polyphone Company, Henry B. Babson and Silas F. Leachman citing and admonishing them to be and appear at a United States Circuit Court of Appeals, for the Seventh Circuit, to be holden at Chicago within 10 days from the date hereof.

223 Now, the condition of the above obligation is such, that if the said American Graphophone Company shall prosecute its said appeal to effect, and answer all damages and costs if it fail to make its plea good, then the above obligation to be void; else to remain in full force and virtue.

AMERICAN GRAPHOPHONE COMPANY,

By F. J. Warburton, (Seal)  
Vice President.

RUDOLPH G. GIESLER.

(Seal)

Sealed and delivered in presence of—

WM. HERBERT SMITH,

as to F. J. Warburton,

GEORGE W. LYLE,

DAVID S. RAMSDELL.

Approved by—

JAS. G. JENKINS,

(Seal)

U. S. Circuit Judge.

(Endorsed) Filed July 10, 1899.

S. W. BURNHAM,

Clerk.



224 Northern District of Illinois, }  
Northern Division. } ss.

*Clerk's certificate.*

I, S. W. Burnham, Clerk of the United States Circuit Court, for the Northern District of Illinois do hereby certify the above and foregoing to be a true and complete transcript of the record of all proceedings had in the cause entitled :

American Graphophone Company, }  
vs. } No. 25186.  
Talking Machine Company, et al. }

as the same appears from the records and files of said Court now remaining in my custody and control.

In testimony whereof, I have hereunto set my hand and affixed the seal of said Court, at my office in Chicago, in said District, this 14th day of July, A. D. 1899.

(Seal.)

S. W. BURNHAM,  
Clerk.

United States of America, ss.

*Citation.*

The President of the United States, To Leon F. Douglass; Talking Machine Company, Henry B. Babson, President; Polyphone Company, Leon F. Douglass, Vice President, Henry B. Babson and Silas F. Leachman, all of No. 107 Madison Street, Chicago, Illinois. Greeting;

You are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals, for the Seventh Circuit, to be holden at Chicago, Illinois, within ten days from the date hereof, pursuant to a petition of Appeal, filed in the Clerk's Office of the Circuit Court of the United States for the Northern District of Illinois, Northern Division, wherein American Graphophone Company, Appellant, and you are Appellees, to show cause, if any there be, why the Order rendered against the said Appellant, as in the said Petition of Appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable James G. Jenkins, Judge of the Circuit Court of the United States, this Third day of July, in the year of our Lord one thousand eight hundred and ninety-nine, at Milwaukee, Wis.

JAS. G. JENKINS,  
U. S. Circuit Judge.



# United States Circuit Court of Appeals

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, 1898.

No. 618.

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AMERICAN GRAPHOPHONE CO.,

*Complainant-Appellant.*

v.

TALKING MACHINE CO., POLYPHONE CO., LEON  
F. DOUGLASS, SILAS F. LEACHMAN AND HENRY  
B. BABSON,

*Defendants-Appellees.*

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## BRIEF FOR COMPLAINANT.

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PHILIP MAURO,  
C. CLARENCE POOLE,  
TAYLOR E. BROWN,  
*Counsel for Appellant.*

POOLE & BROWN,  
*Solicitors for Complainant.*

BYRON S. ADAMS, PRINTER.

Filed  
August 27, 1899  
Edward M. Holloway,  
Clerk



# United States Circuit Court of Appeals.

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, 1898.

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AMERICAN GRAPHOPHONE COMPANY Complainant-Appellant, v. TALKING-MACHINE COMPANY <i>et al.</i> , Defendants-Appellees.	}	In Equity. No. 618.
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## BRIEF FOR APPELLANT.

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### I.

#### Statement of the Case.

This is an appeal from an order denying a preliminary injunction.

The bill of complaint charges infringement of claims 7, 8, 10, 17 and 18 of letters-patent No. 341,214, granted May 4, 1886, to Bell & Tainter (p. 138).

The invention of this patent gave existence to the commercial art of recording and reproducing sounds. It embraces (1) the art or method now universally employed, to-wit, the *engraving* method of recording sounds; (2) the instrumentalities employed in practicing that method; and (3) the "sound-record."

The claims of which infringement is alleged relate to the engraved *sound-record*, which is an article now in extensive use.



Complainant and its licensee (the Edison Phonograph Works) manufacture and sell machines, known as "Graphophones" and "Phonographs," respectively, and also blank tablets upon which, by the normal operations of these machines, records of sounds are cut or engraved. Sound-records thus made by the normal operation of the graphophone are known as "original" or "master" records. Manifestly, purchasers of graphophones and blank tablets from authorized dealers have the right to use these instrumentalities for the production of sound-records. But nearly all the sound-records made and sold by the manufacturing companies are those known as "duplicates," which are *copies* of "original" records, and are not made by the graphophone, but by special "duplicating machines," so organized and constructed that they can make, upon a blank tablet, an engraved copy or counterpart of an original or master record.

Eaton's affidavit (beginning p. 18 of the transcript of record) explains the meaning of the terms "original" and "duplicate" records, and the means whereby the latter are made. (See also Douglass' Affidavits, pp. 71 and 75.)

The infringement complained of consists in the unauthorized manufacture, use and sale of "duplicate" sound-records.

The duplicate records embody the invention defined in claims 7, 8, 10, 17 and 18 of the patent. It will suffice to quote claim 7 (p. 150):

"7. A sound-record, consisting of a tablet or other solid body having its surface cut or engraved with narrow lines of irregular or varied form corresponding to sound waves, substantially as described."

There is no dispute that the sound-records made by defendant Douglass embody the invention of the claims.



The proof upon which complainant charged that the defendants were operating duplicating machines and extensively manufacturing duplicate sound-records, was obtained by the investigations of Frank P. Moore, and the methods by which he procured this evidence are detailed in his affidavit (p. 23), and in the affidavits of True (p. 15), Cartier (p. 9) and Shaw (p. 44). Inasmuch as the charges of the bill in this regard are admittedly true, it will not be necessary to state the contents of these affidavits. Upon the proof they contain the court below granted an order (p. 39) directing defendants to deliver into the custody of the court all duplicating machines and duplicate records in their possession.

Charles W. Hills deposes (p. 46) that he accompanied the deputy marshal when the latter served this order on the defendants, Douglass, The Talking Machine Company and the Polyphone Company. All these defendants have the same place of business at 107 Madison street, Chicago. Douglass, who was personally served, said to the marshal and to Hills

"that he, Douglass, did not know that he had anything that would come under the description given in the order."

After being warned of the consequences of disobeying the order of the court, Douglass asked leave to communicate with his attorney, and after so doing, by telephone, admitted the possession of duplicating machines, and finally led the way to the back part of the store. In order to reach the room where these machines were found, it was necessary, first, to pass an iron chain stretched across a passageway leading to a store-room. Part of this room was partitioned off, and access to the space beyond the partition was through a locked door bearing the inscription, "*Positively no admittance,*" with the device of a skull and cross-bones. This



door gave admission to a small hall, from which opened two doors, both locked, leading to the rooms wherein the machines were found. The windows of these rooms were carefully screened.

The arrangement of the rooms is shown in the drawing following Hill's affidavit (opposite p. 50).

The order of the court directed that the answering papers of defendant should be filed and copies served on complainant's solicitors on or before May 31, 1899. On that day defendants filed affidavits of Douglass (p. 55), Babson (p. 56), Dickinson (p. 59 and p. 61), and Leachman (p. 63).

Douglass states (p. 55) that he had built up a large business buying patented sound-records of the complainant,

*"and writing or cutting duplicates thereon by use of his own duplicating machines which the complainant has heretofore licensed him to use for the purpose of making duplicates for sale to others."*

And further stating that—

*"Complainant well knows that it has given affiant a free and unrestricted license to make and sell duplicate sound-records" (p. 55).*

The alleged license was not exhibited, nor any proof of its existence offered.

The other defendants declare that the manufacture of duplicate sound-records has been conducted solely by Douglass personally.

On June 10, the day of the hearing in the court below, defendants filed two more affidavits of Douglass (pp. 81-105, inclusive), another by Dickinson (p. 107), one by Hayes (p. 111), one by Babson (p. 132) and one by Leachman (p. 134). Complainant has had no opportunity to reply to the statements contained in these affidavits; but in view of the claim of license set up in the papers which defendants had



filed (in compliance with the order of the court) on May 31, 1899, complainant filed an additional affidavit of Easton (p. 125) reciting the relations that have in the past subsisted between Douglass on the one hand and himself (Easton) and the complainant on the other.

Complainant has also filed the affidavit of Massie (p. 21) describing some of the previous litigation in which the patent has been involved, but inasmuch as the patent is not attacked, and as defendants all justify their acts under an alleged license from complainant to Douglass and therefore could not attack the patent, this subject calls for no discussion.

From the papers so presented (defendants having as yet filed no answer) it is understood that the main, if not the sole, question before the Court is whether the statement of defendant Douglass, namely that complainant has given him "a free and unrestricted license to make and sell duplicate sound-records" is supported and established with requisite legal certainty by the papers in the case.

The allegations by which defendant Douglass seeks to show the existence of the alleged license are found in his long affidavit filed June 10, 1899 (p. 81).

In 1892 Douglass claimed to have devised a practical process for making duplicate sound-records. Mr. E. D. Easton, of Washington, was at that time deeply interested in the talking-machine business, controlled a company (the Columbia Phonograph Co.) which was engaged in that business as a dealer, and was a director of the American Graphophone Co. It was of some importance to note that Mr. Easton, who is now the president and manager of the complainant company and thoroughly identified with it, was at that time conducting an independent business and had interests of his own quite distinct and apart from those of the American Graphophone Co.



Douglass says (p. 81) that on March 3, 1892, he and Easton had a conference with respect to his (Douglass') method of duplicating sound-records, which was at that time a secret. At Easton's request he (Douglass) went to Washington, and while there made some duplicate records which were exhibited to certain directors of the American Graphophone Co. The negotiations and discussions, whatever they were, resulted in three agreements, which are printed in the record. Two of these, dated respectively March 14 and March 16, 1892, are between Douglass and Easton individually (Exhibits A and B, Easton's Affidavit, p. 129). The second agreement (March 16, 1892) was made to replace the first, so that virtually there is but one agreement between Douglass and Easton. Douglass produces only the agreement of March 16th (p. 92).

The third agreement (p. 93) is between Douglass and the American Graphophone Co., and is dated March 17, 1892.

The effect of these agreements is briefly as follows: Douglass agrees to sell all his right in his alleged invention to Easton, provided that the latter shall procure the patent at his own expense. The consideration named is, that Easton shall pay Douglass two cents royalty for every phonograph record made by him (Easton) by means of this Douglass process.

The agreement with the American Graphophone Co. granted the latter a license to use the process of Douglass on graphophone cylinders. The consideration was machines to the value of one thousand dollars to be delivered by the Graphophone Company to Douglass as an advance payment, and a royalty of two cents for every graphophone record made by this process.

These papers relate entirely to an invention of *Douglass*. No reference is made therein to the patents of the *complainant*.



Pursuant to the Douglass-Easton agreement of March 16, 1892, an application for patent for Douglass' process was filed March 17, 1892, and the patent was granted May 24, 1892, No. 475,490 (p. 125). This process is known as the "rarified air" method, and it has never been used "except for a few months before and after the issue of the patent, and then to a very limited extent" (p. 125).

Inasmuch as the process was not commercially successful, it proved of no benefit to any of the parties who contracted with reference to it in 1892.

On July 31, 1892, Douglass having become identified with a concern known as the Chicago Central Phonograph Co., Easton, as the owner of the Douglass patent No. 475,490, granted said company a license, under said patent, in consideration of a release by Douglass to Easton of the royalty on phonograph cylinders, Douglass further agreeing to purchase from the Columbia Phonograph Co. (Easton's company) \$50 worth of original records per month (Exhibit C, Easton's Affidavit, p. 130).

This paper is a grant from E. D. Easton to the Chicago Central Phonograph Company, under patent No. 475,490; and not from the American Graphophone Co. to L. F. Douglass, under patent No. 341,214.

In January, 1895, nearly three years after the events last recited, Douglass claimed to have devised a better means of making duplicate sound-records. There is a discrepancy here between the statements of Douglass and Easton, the former claiming that he had made this second invention and disclosed it to Easton along with his unsuccessful air method in 1892; but this second invention is not mentioned in any papers until 1895, and the application for patent for it was executed January 3, 1895 and filed January 21, 1895.

On January 25, 1895, Mr. Easton wrote Douglass inquiring about a machine of this type which Douglass was then



making for him, and on March 25, 1895 (p. 97), wrote Douglass acknowledging its receipt, and stating that it would shortly be tested.

From these facts it would seem unlikely that Douglass had made this invention in 1892 and communicated it to Easton at that time; but it is not believed that this matter is of importance in determining the issue presented.

On January 3, 1895, Douglass and Easton made a new agreement with reference to this second supposed invention of Douglass, or rather a modification of the agreement of March 16, 1892. This document is printed on page 95, following Douglass' affidavit, and again on page 131, following Easton's affidavit. It recites the new application for patent, the fact of its assignment to Easton, the fact that Douglass was licensed under his own previous patent, and under the pending application. It is signed by E. D. Easton, and its last paragraph is as follows:

"The above is not intended to in any way modify or affect any agreement you may have with the American Graphophone Company."

This second application of said Douglass was, on February 16, 1895, rejected as to *all the claims*, on patent No. 488,381, December 20, 1892, to G. Bettini (p. 102), and the application was finally rejected October 21, 1895, and was abandoned. This second supposed invention therefore likewise failed to be of any benefit to Douglass or Easton.

Mr. Easton became president of the American Graphophone Co. on April 8, 1895 (p. 122), and has held that office ever since. He has devoted much effort to establishing judicially the validity of the fundamental patents of that company, which (as appears by Massie's affidavit) had been extensively infringed.

Douglass, and many other persons, were making dupli-



cate records (p. 126) and numerous suits were brought. Mr. Easton says:

"Until the patents were established Douglass was not interfered with, for the reason that the relations between him and the complainant were very cordial and friendly, and it was not thought fair to enforce the rights of the company rigorously against its friends until the patents were established. Early in 1897 Douglass was notified that he must cease duplicating, and that the rights of the Graphophone Co. must be respected. After some discussion, oral and by correspondence, Douglass and his associates ceased the unauthorized operations complained of, and surrendered all their duplicating apparatus, which were taken off their hands at cost by the American Graphophone Co." (p. 127).

Douglass claims that his manufacture of duplicates, prior to 1897, was conducted under license from complainant, and alleges (p. 85) that the consideration of the license was the waiver by him of the two cents royalty. But this license is not produced, nor is there any proof of a waiver of the agreed royalty of two cents per record.

Mr. Douglass says (p. 85):

"Since the modification in the contract dated *January 3, 1895*, neither Mr. Easton nor the Columbia Phonograph, nor the American Graphophone Company have ever paid me for, or rendered me any account of, the number of duplicate records made by them, or either of them."

It is true that complainant has not paid Douglass any royalty, except the advance payment, but complainant accounts for this by the fact that it has *never used the device of patent No. 475,490*, under which it was licensed by Douglass. The latter does not account for the fact that between March 17, 1892, and January 3, 1895, no royalty was paid him by complainant.



Mr. Easton (p. 127) quotes the correspondence of the spring of 1897 to show that Douglass' claim of license from the company was discussed at that time. On April 5, 1897, Mr. Easton wrote Douglass as follows:

"I also told you over the telephone that the only duplicating right you had was the right I gave you to use your own rarified air patent, of which I now have title. That was, however, always subordinate to the fundamental graphophone patents for which you never had a license."

There was no rupture of friendly relations by this dispute, which was terminated by the surrender, in April, 1897, of the duplicating machines then in the possession of Douglass and his associates (p. 128). In August, 1897, complainant employed Douglass as the manager of its Chicago office, which indicates Mr. Easton's continued friendliness towards him. In February, 1898, Douglass began doing experimental work for the benefit of complainant at a salary of \$5,000 per annum and expenses (p. 20). In the fall of that year he expressed a desire to go into business as a dealer, and did so with the approval and encouragement of complainant, promising "for himself and his associates to conduct the business in strict conformity to the rules established by the complainant" (p. 20).

When, a few months later, Mr. Easton was informed that Douglass was, in addition to his legitimate business and with the utmost precautions against discovery, engaged in manufacturing duplicate sound-records, he (Easton) would not credit the report until conclusive evidence of its truth was produced (p. 128).

Upon these facts the issue for the Court to determine is, whether the manufacture of such duplicate records has been, and is, carried on by Douglass under license granted him by complainant under the patent in suit.



## II.

**Errors Relied Upon.**

It is respectfully submitted that the court below erred in denying complainant's motion for an injunction *pendente lite*.

The learned Judge, in his opinion (printed as an appendix to this brief) denying the motion for an injunction, held as follows:

"The alleged license to Douglass is therefore the chief contention. In determining this question, for the purposes of this motion, the absolute existence of a valid license need not be shown; it is sufficient if, upon all the evidence submitted, the question can fairly be said to remain in doubt."

As to the effect of the testimony, the learned Judge held as follows:

"I therefore hold that, from the papers before me, there is considerable doubt as to the question of license to Douglass, that the question is uncertain, and the preliminary injunction will be denied as to all defendants."

We respectfully submit that the court below erred—

(1) In holding that, defendants having justified their acts by a plea of license, it is sufficient if, upon all the evidence submitted, the question can fairly be said to *remain in doubt*;

(2) In holding that, there is a fair probability or presumption, upon the evidence, of the existence of a license from complainant to Douglass, to manufacture duplicate sound-records.

Appellant's contentions are—

(1) That, inasmuch as defendants justify under an alleged license to use complainant's property, the burden is on them



to show the existence of such license beyond a fair doubt, and that, until the existence of the alleged license be shown with legal certainty, defendants should be restrained from using the property of complainant;

(2) That regardless of the burden of proof, there is not a vestige of evidence tending to show the existence of the alleged license, and that its existence can only be said to be "doubtful" or "uncertain" in the sense that any matter may be called doubtful or uncertain in regard to which no evidence has been presented.

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### III.

#### **Brief of Argument.**

The statute gives a right of appeal from an order denying an injunction, and the effect of such appeal is understood to be the same as the effect of an appeal from an order issued after final hearing, namely, to remove the entire case to the Court of Appeals for consideration on the merits, to examine all the facts before it, and to decide whether, upon the record as presented, complainant is entitled to the relief asked in the motion.

While some of the circuit courts of appeals have indicated a tendency to take a narrower view of the scope of the review on an appeal from an order granting or denying a preliminary injunction, the view above presented is that which generally prevails and obtains in this circuit. (*Stover Mfg. Co. v. Most, Foos & Co.*, 89 F. R., 333.)

The validity of the patent and complainant's title thereto are undisputed. It is also admitted that the defendant, Douglass, made the duplicate sound-records complained of, and that the other defendants are his business associates,



occupying the same premises, and participated with him in the use or sale of such records.

Inasmuch as all the defendants justify their operations in this regard under an alleged license from the complainant to Douglass to use the invention of the patent in suit in the manufacture of duplicate sound-records, there could be no question, in this proceeding, of the validity of the patent or of complainant's title thereto. The validity of a patent cannot be disputed by one who undertakes to justify his use of it under a license. (*Platt v. Fire Extinguisher Co.*, 59 F. R., 897, citing *Kinsman v. Parkhurst*, 18 How., 289, and *Brown v. Lapham*, 27 F. R., 77.)

1.

TO JUSTIFY THE USE BY DEFENDANTS OF COMPLAINANT'S PROPERTY THE EXISTENCE OF THE ALLEGED LICENSE MUST BE SHOWN BY EVIDENCE SUFFICIENT TO CARRY THOROUGH CONVICTION.

The court below, on the question of the proof necessary to establish defendant's contention, held as follows:

"In determining this question, for the purposes of this motion, the absolute existence of a valid license need not be shown; it is sufficient if, upon all the evidence submitted, the question can fairly be said to remain in doubt."

By "sufficient" the learned Judge here means sufficient to justify a denial of the motion.

We take issue with this proposition as in direct violation of the well-settled rule touching the burden of proof. If the question of license, upon all the evidence submitted, can fairly be said to remain in doubt, then the conclusion should be that defendants have not shown a right to use complainant's property, and it is the duty of the court to restrain such use until defendants have removed the doubt.



The learned Judge has here inadvertently given to the doubt resting upon *defendants'* alleged right the same effect as if the doubt rested upon *complainant's* right, and allows defendants to proceed under a license whose existence has *not* been shown, just as if it had been duly proved, and this notwithstanding that defendants have as good an opportunity to produce or prove their license (if it exist) at this time as they could possibly have at final hearing.

If the license, upon which defendants rely, be in writing, it could and should be produced. If it be oral, the testimony of the persons having knowledge of it, and the facts tending to show its existence, could and should be fully presented. If such testimony and facts fail to establish the existence of the license, and at best leave its existence doubtful and uncertain, the same testimony and facts could not have a different effect at final hearing.

Manifestly, if the view taken by the court below were to be adopted as the law, complainant could never secure a preliminary injunction, and its patent would be simply a source of expense for litigation to the end of its term. As is usual with patents for important inventions, infringement in the past has been extensive, and every infringer could, under this rule, swear that he was licensed (or believed that that he was licensed) and point to his *unauthorized* use of the invention while complainant was establishing its patent, as a corroborating circumstance.

It is believed to be a sound proposition, and requiring the support of no argument beyond a reference to the general rule touching the burden of proof, that the Court will not presume the existence of a license and permit defendants freely to use complainant's patented invention, until evidence is produced, sufficient in character and amount, to establish the existence of such license beyond a fair doubt.



THE PAPERS IN THE CASE DO NOT RAISE A RESPECTABLE DOUBT  
AS TO THE EXISTENCE OF THE ALLEGED LICENSE NOW OR  
AT ANY TIME.

The papers show the existence of contractual relations between Douglass on the one hand and Easton, individually, and the complainant on the other. The agreements, which are in evidence and are produced by both sides, are clear and explicit in their terms, and there is no difficulty whatever in determining the rights created or conveyed and the obligations established by these writings. As between Douglass and Easton it is seen that the practice has been to make a written memorandum of the modifications agreed upon from time to time in the original contract. It is for this reason the more unlikely that the parties would have left to an oral understanding so important a matter as the grant of a license to Douglass under complainant's patents.

It is *a priori* improbable that the executive of a large corporation, whose business rests entirely upon letters patent, should convey to another a "free and unrestricted license" to use that property without a formal instrument clearly defining the rights conveyed, showing the consideration therefor, and showing that it was done by the authority of the corporation.

It is equally improbable that Douglass, who was not without business experience, and who in his dealings in this instance alone had become acquainted with the usual method of granting licenses, should have been content, in a matter of so much importance, with anything less than a written conveyance.

It is also inherently improbable that the complainant would have granted a franchise of such value without some



adequate consideration, and it will be seen that there was absolutely no consideration and no conceivable reason why such a license should be granted.

Defendants do not, in their papers, distinctly formulate their theory regarding the character, date, or conditions of the alleged license. Had they done so the discussion would be simplified. As the case is presented it appears necessary for us to review the papers with some detail, discussing such circumstances as appear to be relied upon by defendants in support of their contention. The pertinent statements will all be found in the long affidavit of Douglass (p. 80), filed the day of the hearing in the court below.

It is not easy, upon reading this affidavit, to determine whether defendants' claim that the alleged license was in writing or was oral. At the argument below counsel claimed that it was an *oral* license, and the court below evidently inclined to the view that, if the alleged license was ever granted, it was granted orally.

This being the theory, we would naturally look for a definite circumstantial statement of the time, place and conditions under which the agreement was made and the extent and character of the grant. Such statement, however, nowhere appears. On the contrary, careful perusal of Douglass' affidavit shows (p. 84) that his claim of license is based upon Easton's letter to him dated January 3, 1895 (printed on p. 95, and again on p. 131). This document (which was a modification of the Easton-Douglass contract of March 16, 1892) will be better comprehended after a brief review of the antecedent events, taking the version of these events given by Douglass.

In March, 1892, Douglass had invented the rarified air process of making duplicate records, but had not obtained or applied for a patent. A good commercial method of copying records would be, of course, valuable to manufacturers, and a



negotiation took place between Easton and Douglass with respect to the method of the latter. In the course of the discussion Easton called Douglass' attention to the fundamental patents of the American Graphophone Co., and he recognized their controlling effect (p. 81).

The negotiation eventuated in the agreement between Douglass and Easton of March 14, for which two days later the agreement of March 16, making slight changes in the former, was substituted (Exhibit A and Exhibit B, Easton's Affidavit, p. 129).

By the latter document Douglass sold to Easton all right in the Douglass process "for duplicating musical and other records on phonograph and graphophone cylinders."

The considerations were (1) "a royalty of two (2) cents per cylinder on each phonograph record made by this process and used or sold"; (2) Easton's undertaking to defray the expense of procuring patents. The application for patent was immediately executed. It was filed March 17, 1892, and the patent issued May 24, 1892, No. 475,490.

Furthermore, Easton used his influence as a director of the American Graphophone Co. to interest that company in Douglass' process, and to secure for the latter an advantageous contract. This contract is produced by Douglass and is printed on page 93. It is dated March 17, 1892, and grants a license from Douglass to the Graphophone Company to use his (Douglass') secret process of making duplicate graphophone records. The considerations were, (1) a royalty of two cents per record to be paid by the company to Douglass on all records made by his process; (2) ten slot graphophones valued at one thousand dollars delivered to Douglass as advance royalties, but to remain his property even if the royalties never amounted to that sum.

Several important deductions may be drawn from this document. That Easton negotiated this contract is evident from



the fact that his signature appears on it. Douglass is the *sole beneficiary* in the consideration named, notwithstanding that on the previous day he had assigned his entire right, title and interest in the process to Easton. Manifestly the latter, in addition to the royalty he was to pay in case he individually used this process of Douglass, secured for the latter an arrangement which, *if the invention had been of practical utility*, would have made him wealthy. Douglass says (p. 85) that on the basis of present output of duplicate records his royalty would amount to \$120,000 per annum, if his process were employed by the complainant, as it would be if it had been practical.

Furthermore, this document shows that Douglass was well aware that the Graphophone Company, whereof J. G. Payne was president and manager, was a distinct entity from E. D. Easton. Nevertheless the counsel who drafted Douglass' affidavit studiously confounds Easton and the company, seeking to produce the impression on the mind of one not reading the paper carefully that the personal acts of one were the acts of the other. The substance of the two agreements is stated on page 82 (fol. 128) in such way as to blend and confuse the two. As the agreements are in evidence and are entirely perspicuous, and as the affidavit was drawn by skilled counsel, we are justified in supposing that this confusion is not inadvertent, or due to lack of ability to use language with precision.

Proceeding with the recital of events Douglass is made to say on page 83:

"Before I left Washington, however, I made an agreement with the *American Graphophone Company* and the *Columbia Phonograph Company*, through Mr. Easton. I agreed to buy *of them* at least 50 master or original records per month, and I was then to have the privilege for my own account to make as many duplicates *from these originals* as I wished, or until they were worn out."



This is the first statement hinting at the grant of any right from the American Graphophone Co. to Douglass, and it will be noted that, by his own account, it was a right restricted to duplicating fifty records which he was to buy "of them" (the Columbia Phonograph and American Graphophone Companies). If the statement were accurate it would not, of course, justify the present operations of Douglass and his associates; but the agreement here referred to is in evidence (Exhibit C, Easton's Affidavit, p. 130). It is as follows:

"July 31st, 1892.

In consideration of the license granted by *E. D. Easton* to the Chicago Central Phonograph Co. to use U. S. Letters-patent No. 475,490, I hereby release said Easton from the payment of the royalty on Phonograph Cylinders, made under said patent as provided in the contract of sale between myself and said Easton.

I further agree to purchase\* at least \$50 worth of original records per month from the *Columbia Phonograph Company* for use in making duplicates or transfers for the Chicago Central Phonograph Company during the continuance of said license.

LEON F. DOUGLASS. [Seal]

Witness

F. DORIAN

Purchase of \$50 worth of original records per month is this day waived.

Jan'y 2, 1895.

E. D. EASTON."

Thus it appears that the American Graphophone Co. was not a party to this agreement at all, nor could Douglass or anyone have supposed that it gave any rights whatever under any patents of that company. It shows that Douglass wished to acquire, for his Chicago company, a license under *his own patent No. 475,490*, and that the consideration he gave therefor was a waiver of the royalty

\*Misprinted "furnish" in the record.



which *Easton* had personally agreed to pay. It further appears that Douglass' agreement to purchase \$50 worth of original records per month was waived on January 2, 1895.

Thus, when Douglass left Washington in March, 1892, he was doubly barred from manufacturing duplicate sound-records. First, he was barred by the fundamental patent of the American Graphophone Co., the force of which he says was explained to him and recognized by him (top of page 82); and, secondly, he was barred by the fact that he had assigned the only process of making such records with which he was familiar.

On the other hand he obtained from the owner of the broad patent covering all engraved sound-records, one thousand dollars worth of machinery and an agreement assuring him a large income, dependent only on the contingency that his process should prove commercially useful. The Douglass process, however, proved to be worthless, and has never been used commercially to any considerable extent by anyone (p. 125). Such use as it had occurred about the time the patent issued (May, 1892).

There was no change in the situation as between any of these parties, nor is any pretended, until January, 1895, nearly three years later. At this time Douglass came forward with another plan for making duplicate records, referred to in the papers as the "mechanical-connection" method, to distinguish it from the "air-tube" method. Douglass says (p. 83, fol. 129) that he had invented this "mechanical-connection" plan and disclosed it to Easton and to the American Graphophone Co. at the same time that he disclosed his air-tube plan. Easton, on the contrary, says that Douglass informed him of this mechanical plan in January, 1895 (p. 126, fol. 190).

So far as we can see it is immaterial, for the purposes of



the issue presented, which of these statements is correct; but the undisputed facts amply prove the correctness of Mr. Easton's statement. The agreements of 1892 refer specifically to "a process, now secret," not to two processes. Moreover, an application for patent was prepared immediately, while Douglass was in Washington, and of course under his instructions, since the information was in his exclusive possession. This application contained only the air-tube method. Manifestly, if Douglass had made known another invention having the same object, and *included in the sale to Easton*, it would have been included in the patent, particularly if this were a better method. Finally, Douglass himself swears (p. 84, fol. 130) that *in December, 1894*, he visited Easton in Washington, "and told him of *some improvements on the duplicating machine* I had made." Easton asked him to make one of these improved machines for the purpose of testing it. The improvements could be none other than the "mechanical-connection" plan, and subsequent events confirm this.

Easton still had faith in Douglass' ability to devise a valuable improvement in this line, and Douglass evidently recognized his obligation to Easton to assign to him (as provided in the original contract) all improvements which he (Douglass) might make in this line.

Accordingly, on January 3, 1895, a new agreement, or rather a modification of the agreement of March 16, 1892, *between Easton and Douglass*, was made. With the usual care exhibited by Mr. Easton in such transactions, this agreement is also evidenced by a written instrument (p. 95 and p. 131). Douglass gives his version of this agreement on page 84 (fol. 130), and as usual the version varies from the paper and confounds Easton with the complainant company. As this is the point at which Douglass claims he received his license from the complainant under the patent



in suit, it is important to pay particular attention to what he says :

"In December, 1894, I visited Mr. Easton in Washington, and told him of some improvements on the duplicating machine I had made, and to which *his companies* were entitled under my agreement."

The effort here is to create the impression of dealings with the American Graphophone Co. by referring to it as one of Easton's "companies" :

"He asked me to make one of the improved machines for *his companies*, as *his companies* would like to get into the duplicating business more extensively. And while I was in Washington he asked me to modify the agreement which I had made *with his companies*. He stated that they thought of going more extensively into the business of making duplicate sound-records, and asked me to waive the royalty of two cents per record, and stated that if I would waive this royalty *to his companies* they would give me a *permanent permit or license without any conditions as to the purchase of master records from them to manufacture and sell as many duplicates as I saw fit*. I thought this was a better arrangement in some respects than the one we were working under then, and therefore consented. Thereupon Mr. Easton wrote me a letter dated January 3, 1895, which he said would evidence the modification of the contract between *his companies* and myself, and that its effect was *to give me the unrestricted right to make and sell duplicate sound-records*."

The allegations here made, if they are to be regarded as pertinent to the issue, must be construed to mean (1) that Easton *for and on behalf of the American Graphophone Co.* negotiated with Douglass a modification of the contract of March 17, 1892, between Douglass and *that company*, the provisions of the modification being that Douglass should



waive the royalty of two cents per record which *that company* had agreed to pay for the use of the rarified air patent, and that in return the *American Graphophone Co.*, acting by E. D. Easton, granted Douglass the unrestricted right, under its patents to make and sell duplicate sound-records; and (2) that Easton delivered to Douglass a written memorandum evidencing this modification of the contract of *March 17, 1892*, between him (Douglass) and the *American Graphophone Co.*

These statements, if proved, would undoubtedly constitute the license Douglass claims, provided Easton did act, as alleged, for the *American Graphophone Co.*, and *was duly authorized thereto*. It would be enough to dispose of the whole contention to say that Easton had no authority to dispose of the property of the *American Graphophone Co.* and that no attempt to show such authority is made. (He became president of the *American Graphophone Co.* three months *after* this (p. 122). But in fact the statement is, on the evidence in this case, false in every material point. Easton did not even pretend to act for the *American Graphophone Co.*, nor did Douglass so suppose for a moment. The written instrument which Douglass produces shows this conclusively. We quote it *in extenso*, omitting only the printed heading, which is the ordinary letter-head of the *Columbia Phonograph Co.* :

"Jan. 3-95. .

Mr. LEON F. DOUGLASS,  
No. 98 Madison Street,  
Chicago, Ills.

Dear Sir :

Referring to *our* contract of *March 16, 1892*, this is to evidence a modification of *said contract* as follows :

Application is now pending for a patent for an improvement in your process for duplicating, and you have *assigned the same to me before issue*.



You are hereby licensed under the patent already issued, and are authorized to use the process covered by the pending application, in such way personally, as you please, the consideration *to me* being a waiver of the two cents royalty per cylinder specified in your contract *with me* of March 16th, 1892.

It is understood that this is a personal license; that it is not assignable nor salable; but that you may make, for sale, as many phonograph records as you please under this license.

*The above is not intended to, in any way, modify or affect any agreement you may have with the American Graphophone Company.*

Yours truly,  
E. D. EASTON."

It is not conceivable that any person of ordinary intelligence could suppose that this paper was the act of the American Graphophone Co., or that it related to any patent except that which Douglass had assigned to Easton in March, 1892, and the patent which it was expected would issue for his (Douglass) improvement.

No one could possibly suppose, even without the last paragraph, that this paper was a modification of the contract of *March 17*, 1892, between Douglass and the American Graphophone Co. It is explicitly a modification of the agreement of *March 16*, 1892, between Douglass and Easton. If Douglass were an imbecile he could not suppose, as he pretends, that this paper was a modification of his contract with the American Graphophone Co., when in terms it states that it is "*not intended to, in any way, modify or affect any agreement you may have with the American Graphophone Company.*"

Easton had become at this date the manager of the American Graphophone Company, and to express clearly the understood fact that he was here acting in a personal,



and not in an official, capacity, he inserted this concluding paragraph.

These facts show the disingenuousness and bad faith of Douglass in the statements we have quoted above; but if he had made them in the utmost good faith it would not affect in the least the legal situation. The complainant in this Court is the American Graphophone Co., a body-corporate, which can dispose of the property of its stockholders only by the authorized acts of its duly-constituted officers. It would be an unheard of proposition that the act of an individual *not* the president of the corporation, purporting to dispose only of *his own individual property*, could pass title to the property of the corporation, even if the grantee indulged in the mistaken belief that the grant was from the company, and did pass title to the property of the latter.

What really happened, and in regard to which Douglass could not possibly have been ignorant or mistaken, was this: Easton had acquired from Douglass in 1892 a patent for what they both then supposed was a useful invention, but in regard to which they had been disappointed. There was the utmost good-will between them at that time and for many years afterwards, and the record is not altogether barren of evidence of Easton's uniform generosity to Douglass and his successful efforts to promote the latter's interests. It was natural, and just what we would expect, that when in 1895 Douglass again supposed he had invented a feasible machine for making duplicate records, he should convey that to Easton. In fact his agreement of March 16, 1892, in terms obligated him to do that *without any further consideration*.

For the second time Mr. Easton was disappointed and put to expense for which he received no return. The application for Douglass' supposed improvement was duly made at



Easton's cost, and it was found that Douglass was not the inventor of it at all, but on the contrary that it had been patented, three years previously, to another (see file of application, pp. 101, 102, and Easton's Affidavit, p. 126, fol. 190).

We think the papers, so far from leaving the existence of Douglass' alleged license a doubtful matter, prove with reasonable certainty that it never existed. His statement with reference to the alleged license is squarely contradicted by the paper which he declares was executed to evidence it. But the surrounding circumstances exclude the possibility that such a license could have been granted. To give the contention any plausibility there must have been some adequate consideration. This is appreciated by Douglass and his counsel. Hence the allegation of Douglass that Easton said—

“If I would waive this royalty to *his companies* they would give me a permanent license or permit without any conditions as to the purchase of master records *from them* to manufacture and sell as many duplicates as I saw fit.”

In other words, the consideration from Douglass to the American Graphophone Co. for the alleged license from the company to Douglass was a waiver of the royalties due from the former to the latter. But Douglass expressly says that the alleged modification of the contract between himself and Mr. Easton's “companies” was evidenced by the instrument of January 3, 1895, which, we have seen, expressly states that it does not, and is not intended to, modify or affect any agreement between Douglass and the American Graphophone Co. Furthermore, that company had not for years used, and virtually never did use, the process of the Douglass patent, under which it acquired a license by the agreement of March 17, 1892. It, therefore, owed Douglass



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nothing, the latter having in fact received one thousand dollars' worth of machinery without consideration. It is not reasonable to suppose that the American Graphophone Co. granted a license under its patents in return for a waiver of royalties which had never accrued; and certainly the court will not indulge in that supposition when the evidence, adduced by Douglass to support it, contradicts it flatly.

It thus appears that the agreement of March 17, 1892, between Douglass and the complainant, was never modified. It stands to-day as it was written, and it follows that the obligation of that company to pay Douglass two cents for every record made by it according to his (Douglass') process remains in full effect and vigor. On this point Douglass says (p. 85, fol. 132):

"At this time, if these companies and Mr. Easton should pay me two cents for each duplicate sound record which they have made *by means of the method I have disclosed to them*, the amount would exceed at the lowest estimate half a million dollars."

If, therefore, Douglass' story be true, the consideration he gave for his license amounts to an accrued royalty of at least half a million dollars, and we concede that this amount would be an adequate consideration for the alleged license.

But conversely, if the alleged license was never granted, the accrued royalties were never waived by Douglass. The Court will perceive therefore that, in holding that the alleged license is not proved no injustice will be done Mr. Douglass upon his own showing. He should be rather solicitous that the Court should find, in accordance with the undoubted facts, that the royalty was never waived.

Douglass, therefore, concedes that, up to January 3, 1895, he had no license to manufacture duplicate sound-records from the American Graphophone Co. His license, he says, dates from that day, and was granted by Mr. E. D.



Easton, in an instrument of that date, which instrument, however, expressly states that it does not have the effect claimed by Douglass.

Between that date and 1897 Douglass says he manufactured duplicate sound-records, which fact is adduced as evidence tending to corroborate his claim of license. That Douglass did make duplicate records during that period is an undoubted fact; but that such fact tends in the least to prove that the manufacture was authorized, we dispute. Complainant was during that period in litigation involving the validity of its patent. Pending a final decision, infringement could not be arrested, and naturally, in proceeding against infringers, complainant paid attention first to its antagonists rather than to its friends (p. 127).

In January, 1897, Mr. Easton being then the president of the American Graphophone Co., Douglass was notified that he must cease duplicating. This notice was repeated with emphasis March 19, 1897 (p. 127, fol. 192). Douglass then set up his claim of a license, and the matter was discussed in an amicable way orally and by correspondence, Mr. Easton stating very clearly to Douglass that the rights he claimed under the graphophone patents had no existence. In his letter of April 5, 1897, to Douglass, Easton said :

"I also told you over the telephone that the only duplicating rights you had were the right I gave you to use *your own rarified air patent*, of which I now have title. That was, however, always subordinate to the fundamental graphophone patents and for which you never had a license." (P. 128, fol. 192.)

This is a very clear and accurate statement of the facts. Mr. Easton also offered, if Douglass and his associates so desired, to test the matter by a suit in Chicago (p. 127, fol. 192), but apparently that was not desired. The matter was



settled, for the time, by Douglass' surrender to the complainant of the duplicating machines in the possession of the Chicago Talking Machine Company, complainant taking the machines at cost.

That the matter thus ended in mutual good will and satisfaction is evident; for in August of that year (1897) Easton appointed Douglass manager of the Chicago office of the Columbia Phonograph Co., and in February, 1898, changed his duties to that of experimentation for the benefit of complainant. This arrangement continued, until, by his own desire, Douglass went into business as a dealer in the fall of 1898.

Douglass has been aware of complainant's efforts to suppress the manufacture of duplicate sound-records, and has actively participated in enforcing the patent against infringers in this district. His affidavits given in the cases against Boswell *et al.* and against the Western Phonograph Co. *et al.*, respectively, are printed in this record (pp. 71 and 75). In the latter he describes, as an expert, "original" records and "duplicate" records, pointing out that both of these "are equally covered by the claims of said letters-patent" (No. 341,214). He refers to the manufacture of duplicate records as an "illegitimate business."

From all these facts we feel justified in concluding that, not only is the contention of a license from complainant to Douglass, upon which defendants rely, destitute of support in fact and in the papers in this case, but that it is, so far as Douglass is himself concerned, a fabricated pretension, not made in good faith. The manner in which the duplicating operations were carried on, under the cover of a legitimate mercantile business, and elaborately screened and concealed, as detailed in Hills' affidavit (p. 46), furnishes an additional and strong confirmation of the insincerity of the defense. This affidavit of Hills was filed two weeks before the hearing in the court below, and its statements are uncontradicted.



## THE OPINION OF THE COURT BELOW.

We have attempted to show that there is no basis in the paper for presuming the existence of the alleged license to Douglass. It remains to discuss specifically the reasons given in the opinion of the court below for the conclusion that there was a fair doubt on this point.

The learned Judge refers to certain "uncontradicted statements" made in the affidavits, and from which he draws certain inferences. The statements here referred to are made in the papers filed by defendants the day of the hearing and to which there was no opportunity to reply. This will account for the fact that certain statements, the truth of which we cannot concede, are uncontradicted. Of course, the Court is bound, for present purposes, to accept such uncontradicted statements; but we respectfully submit that these statements are wholly immaterial to, or at best have but a remote bearing upon, the question at issue, and do not in the least tend to support defendants' contention.

The learned Judge says that these uncontradicted statements tend to establish several propositions of fact, which we will briefly discuss:

"(1) That Douglass was the first person to commercially make duplicate records."

Douglass does claim this distinction, but whether justly or not is immaterial. The fact, if it be a fact, does not give him any right to use complainant's property.

"(2) That complainant company procured from Douglass the knowledge of his secret process, and gave valuable considerations therefor after Douglass had admitted that he was in doubt whether a patent could be obtained therefor on account of the anticipating



claims of the Bell & Tainter patent (although a commercially successful apparatus had not theretofore been constructed in pursuance of such patent)."

It is true that complainant gave Douglass valuable consideration for information that proved to be of no value; but the consideration is named in the agreement, and it did not embrace a license to Douglass.

"(3) That Douglass at intervals during the next *six or seven years* operated under the license which he claims to have obtained from the company through Easton as its representative."

There are no uncontradicted statements tending to support this proposition. Douglass himself does not claim that his license began until January 3, 1895. From that time until the first part of 1897 he undoubtedly manufactured duplicate records, thus enjoying the use of complainant's property without recompense to it; but that he did so under a license is contradicted, and we maintain is disproved.

"(4) That complainant, through its various officers, knew of his actions in this regard, and, despite the meaning claimed by complainant for Easton's letter of January 3, 1895, no intimation appears to have been given Douglass prior to 1897 that complainant had forfeited his license to make duplicate records, or that he never had a license therefor."

Complainant's officers undoubtedly learned, prior to January, 1897, that Douglass was making duplicates, but just when the fact came to their knowledge does not appear. At that time formal demand was made upon Douglass to desist from this unauthorized business, and, after some demur, he complied with that demand. It does not appear that Douglass ever advanced the claim of license before this



date, and the claim could not well be disputed before it was made.

"(5) That complainant acted upon the waiver of the 2 cent royalty procured by Easton in 1895 and obtained the benefits thereof."

This statement is a serious error. It nowhere appears that the two-cent royalty in *complainant's* agreement was ever waived. Douglass' statement to that effect is flatly and in express terms contradicted by the written instrument, as we have elsewhere fully shown.

"(6) That Easton (while president of complainant) in 1897 attempted to procure the signature of Douglass to a paper stating that Douglass' license to make and sell duplicate sound-records had expired."

This statement is made by Douglass on page 90 (fols. 139, 140). The date of the alleged event is April, 1897. It is true that this statement is not categorically contradicted. It is, however, traversed, not by an oral statement merely, but by Easton's letters of March 19, March 25, and April 5, 1897 (pp. 127, 128), in which Mr. Easton pointed out to Douglass that the alleged license *never existed*.

The learned Judge further says:

"From the papers before me I cannot reconcile the various documents and agreements set forth in the affidavits of Easton and Douglass, dated respectively on March 14th, 16th and 17th, and July 31, 1892, and January 3, 1895."

We submit that these documents need no reconciliation; and that, though not drawn by lawyers, they are quite perspicuous. Even if they were open to criticism for obscurity or inconsistency, it would, nevertheless, be perfectly clear that none of them purports to convey the alleged license to Douglass.



The court continues—

"And while not intending to intimate that either hypothesis is correct, these papers and the affidavits would seem to justify the contention that Easton was playing double with the complainant and its officers and directors, for the purpose of personally obtaining the benefits of Douglass' secret process in the event it should be remarkably profitable, while causing complainant and its officers and directors to believe that the secret had been obtained for the use of complainant; or that Easton was taking advantage of Douglass' youth and lack of business experience in causing him to sign personal agreements with Easton (the consideration for which Easton had no right to grant) under the belief that they were agreements with complainant."

We have here two alternative hypotheses suggested, each imputing to Mr. Easton motives and conduct of the most reprehensible character. We cannot give expression to our amazement at the words of the court below. Not only are these severe and unjust hypotheses wide of the mark, but we can find nothing in the papers to lend them the semblance of reality. Notwithstanding the serious differences which now exist between the parties to this suit, and the bitterness naturally engendered thereby, there is not one word in the affidavits of Douglass reflecting upon the character or motives of the man who has been his consistent friend and benefactor.

Had these comments appeared in the briefs of counsel, we would pass them with scant notice, but coming from the bench of the United States Circuit Court we feel called upon to treat them seriously; and we most earnestly ask the Court of Appeals, in justice to a man of the highest and purest character, to pay particular attention to the statements and circumstances upon which these injurious suggestions are based.



The first suggestion is, that Easton played double with complainant (whereof he was a director) in seeking to obtain the personal benefit of Douglass' process in the event it should be remarkably profitable, while causing complainant to believe that the process had been obtained for its use.

Easton had a perfect right—legal, moral and ethical, or from any possible standpoint—to purchase for his own benefit any invention that he desired to acquire. Upon what conceivable theory could a sale by Douglass to Easton of the former's invention be regarded as an indication "that Easton was playing double with the complainant"? Who suggests such a thing, and where is the slightest intimation that Easton caused "the complainant and its officers to believe that the secret had been obtained for the use of complainant," when the contrary was the fact?

On the face of the two agreements of March 16 and March 17, 1892, it appears conspicuously that at the very time the assignment from Douglass to Easton was arranged, the latter negotiated between Douglass and complainant terms, acceptable to both parties, *whereby the complainant obtained the perpetual right to use this process.*

And how, upon these papers, could Easton obtain the personal benefit of the process in case it should prove remarkably successful (which, if true, would not be reprehensible)? He could get no benefit from the agreement between Douglass and complainant, for *all* the benefits of that contract went to Douglass. He could not himself use the Douglass process without the license and consent of complainant, nor license others to use it. In fact, the papers unmistakably show that the very converse of the court's hypothesis is true. They show that Mr. Easton acted in the most unselfish manner, and in every way preferred the interest of his friends and associates to his own. Can the Court wonder that an aspersion so unjust, and so utterly at variance with



the undisputed records in the case, should sting with peculiar force the man against whom it is gratuitously levelled, as well as all those who have learned to admire and respect him?

The alternative hypothesis is "that Easton was taking advantage of Douglass' youth and lack of business experience in causing him to sign personal agreements with Easton (the consideration for which Easton had *no right to grant*) under the belief that they were agreements with complainant."

This hypothesis is, if possible, even less justified than the other. From the time Easton secured for Douglass' *sole benefit*, in 1892, an agreement from complainant calling for handsome royalties, to the time when, in 1897-8, he made him manager of the Chicago office, with "a compensation amounting to about \$6,000 per year" (Douglass, p. 89, fol. 138), we find him always friendly and solicitous for Douglass' interests. As this is a personal matter, not affecting the merits of the case, we think it not a transgression to go out of the record so far as to say that, in a voluminous correspondence extending over all these years, Douglass repeatedly acknowledges, with sincerest gratitude, that he owes his progress and prosperity to the unselfish and generous devotion of E. D. Easton. The Court will appreciate our embarrassment in meeting an assault of which the papers in the case gave no intimation.

The full value of the service rendered by Easton to Douglass in securing the agreement of March 17, 1892, with the American Graphophone Co. will be appreciated when it is remembered that the invention of Douglass was dominated by the patents of that company, and could not lawfully be used by him. Thus a most liberal arrangement was secured for Douglass with the only concern by whom his invention could have been employed.

The intimation that Easton caused Douglass to believe



that his agreements with Easton personally were agreements with the complainant, is not only without a shadow of support in the papers, but the contrary clearly appears.

When Douglass signed the personal agreement of March 16, 1892, he could not have been caused to believe that it was an agreement with complainant, since the very next day an agreement with complainant (certainly arranged and probably drafted on or before the 16th) was executed. In view of this, Douglass could not have supposed (and did not) that in dealing with Easton he was dealing with the company. As to the crucial agreement of January 3, 1895, the intimation that Easton caused Douglass to believe that it was a modification of his agreement with the American Graphophone Co. has only this basis in that document:

*"The above is not intended to in any way modify or affect any agreement you may have with the American Graphophone Company."*

We note in passing that the statement of the court below contained in the words "the considerations for which Easton *had no right to grant*," admits the legal correctness of our position; but we are not content with merely showing that complainant's position is legally correct.

Finally, the court below seems to have regarded as a suspicious circumstance the fact that Douglass, on March 17, 1892, granted a license to complainant, after he had, the day previously, conveyed all his rights to Easton, "thus leaving in Douglass no further rights to grant with respect to this process.

This certainly has no bearing on the question whether Douglass obtained, in 1895, as he claims, a license from complainant. But if it be borne in mind that the negotiations eventuating in these two agreements covered many days and were conducted concurrently, and that the terms



of both were discussed and doubtless settled before either was put in writing, it will be seen that the agreements are virtually simultaneous. That the execution of the agreement with the company was one day later than that of the personal agreement, may easily be accounted for by the necessity of securing the presence of some officer of the company.

What the circumstance emphatically shows is that Easton was seeking *no personal advantage*, for the benefits of the later agreement accrued not to him, as assignee, but to Douglass. With much greater propriety could it be urged that Douglass sold (as he apparently did) the whole to Easton and subsequently a part to the company; but as a matter of fact there was entire good faith on the part of every one participating in these transactions.

## 4.

## MINOR POINTS PRESENTED IN DEFENDANTS' PAPERS.

It is stated in some of the affidavits that the blanks or cylinders upon which sound-records are engraved are sold by complainant without restriction as to use, and upon this it was argued that a purchaser of such blank cylinder acquired by its purchase the right to make duplicate records thereon.

Presumably the doctrine here intended to be invoked is that of implied license. For the most obvious and sound reasons it is recognized that the purchaser from the patentee of a patented machine acquires an implied right to use it for its intended purpose; and by logical deduction, if the product of that machine be also covered by a patent the implied license extends to the product.

Thus, the "original" sound-records are outside of the monopoly of the patent for the reason that they are made



by licensed graphophones. "Duplicate" sound-records cannot be made without license of complainant for the reason that they are *not* produced by licensed machines.

The point does not call for elaborate discussion as the principles by which it is determined are obvious and elementary. It is not a new point. In the Walcutt case ( ), Judge Wheeler said :

"The right to make sound-records by the use of certain phonographs does not include a right to make like sound-records by other means, or by the use of phonographs *and* other means necessary to accomplish the making of them."

In the Jones case in this circuit Judge Grosseup, granting a preliminary injunction against the manufacture of duplicate records on blanks bought from complainant, also disposed of this contention. (See also *Troy Nail Factory v. Corning*, 14 How., 193.)

It is further stated by Douglass as his opinion (p. 105, fol. 164) that complainant's patent covers several separate, distinct, and independent inventions, from which it may be intended to argue that the patent is for that reason invalid.

The only evidence on this point is the patent itself, which shows that the inventors set forth a complete means for recording and reproducing sounds. The entire invention has that single definite object, and the criticism would here seem to be directed to the completeness with which the invention is presented in the patent. As a matter of fact, therefore, we submit that the opinion expressed by Mr. Douglass is not supported. As a matter of law, we are not aware of any decision invalidating a patent because it contained more than one invention. Whether several related improvements tending to the same object should be embraced in the same patent or in separate patents, has uni-



formly been regarded as a matter of discretion with the Commissioner of Patents. It is a matter of convenience in office administration, regulated by the rules and decisions of the Commissioner, and upon which the law is silent.

Respectfully submitted.

PHILIP MAURO,  
C. CLARENCE POOLE,  
TAYLOR E. BROWN,  
*Of Counsel for Complainant.*

*August 4, 1899.*







## APPENDIX.

### Opinion of Court Below.

IN THE UNITED STATES CIRCUIT COURT;  
NORTHERN DISTRICT OF ILLINOIS;  
NORTHERN DIVISION.

AMERICAN GRAPHOPHONE COMPANY }  
vs. } No. 25,186.  
TALKING MACHINE COMPANY, *et al.* }

### OPINION.

KOHLSAAT, J.

Complainant's contention, on this motion for a preliminary injunction, is that defendants are making and selling duplicate sound-records; that said sound-records are made upon blank cylinders purchased by defendants from authorized sources, but that the use of such blank cylinders for the purpose of making thereon duplicate sound-records is not a lawful use without a special license; that the purchase of the blank does not give the purchaser a license or right to use the same for the purpose of making sound-records thereon; and that the making of sound-records on such blank cylinders infringes certain claims of the Bell & Tainter patent No. 341,214, and especially claim 7 thereof.

All the defendants, except Leon F. Douglass, deny that they are making duplicate sound-records as charged, and disclaim any intention so to do; but acknowledge purchasing such duplicate records from defendant Douglass and selling the same.

Defendant Douglass admits the manufacture and sale by him of these sound-records, but claims to do so under per-



sonal license from complainant. His method of duplicating and duplicating apparatus are not in controversy herein on this motion except in connection with his alleged unlawful use of the same, and except further as his methods and apparatus may be connected with the procurement by him of his alleged license under which he claims to act. There is no proof that the other defendants have manufactured any records or have had any in their possession not obtained from Douglass or some source acknowledged to be lawful.

The alleged license to Douglass is therefore the chief contention. In determining this question, for the purposes of this motion, the absolute existence of a valid license need not be shown; it is sufficient if, upon all the evidence submitted, the question can fairly be said to remain in doubt.

The dealings of Douglass with complainant were almost entirely through Easton, although it appears that verbal understandings were had with other officers or directors, and the President of the corporation signed one paper. Easton in 1892 was Manager of Agencies for complainant. Counsel strongly urges that he had no official connection with complainant at that time and could not bind it. In view of the affidavits and exhibits I do not concur in this view. Besides being Manager of Agencies he was a member of the Board of Directors; it was at his request that Douglass went to Washington in 1892; he and Douglass were present at meetings with other directors and officers of complainant at which Douglass' secret process or processes were discussed; he was apparently the active representative of complainant in its dealings with Douglass; complainant took advantage of his agreements with Douglass, whether made in Easton's name as an individual or in the name of the company by himself as Manager of Agencies.

From the papers before me I cannot reconcile the various documents and agreements set forth in the affidavits of Easton and Douglass, dated respectively on March 14th, 16th and 17th, and July 31st, 1892, and January 3rd, 1895; and while not intending to intimate that either hypothesis is correct, these papers and the affidavits would seem to justify the contention either that Easton was play-



ing double with the complainant and its officers and directors, for the purpose of personally obtaining the benefits of Douglass' secret process in the event it should be remarkably profitable, while causing complainant and its officers and directors to believe that the secret had been obtained for the use of complainant; or that Easton was taking advantage of Douglass' youth and lack of business experience in causing him to sign personal agreements with Easton (the considerations for which Easton had no right to grant), under the belief that they were agreements with complainant. The fact that Easton procured from Douglass the assignment of March 14th, 1892, and the agreement of March 16th, 1892, thus leaving in Douglass no further rights to grant with respect to this process, and on March 17th, 1892, procured a similar grant from Douglass to complainant, signing the latter as Manager of Agencies in connection with the President of complainant (all of which appears from Easton's affidavit) would seem to need explanation other than appears in the papers before me.

Uncontradicted statements made in affidavits before me tend to show; (1) that Douglass was the first person to commercially make duplicate records; (2) that complainant company procured from Douglass the knowledge of his secret process and gave valuable considerations therefor after Douglass had admitted that he was in doubt whether a patent could be obtained therefor on account of the anticipating claims of the Bell & Tainter patent (although a commercially successful apparatus had not theretofore been constructed in pursuance of such patent); (3) that Douglass at intervals during the next 6 or 7 years operated under the license which he claims to have obtained from the company through Easton as its representative; (4) that complainant through its various officers knew of his actions in this regard, and, despite the meaning claimed by complainant for Easton's letter of January 3rd, 1895, no intimation appears to have been given Douglass prior to 1897 that complainant had forfeited his license to make duplicate records, or that he never had a license therefor; (5) that complainant acted upon the waiver of the 2 cent royalty pro-



cured by Easton in 1895 and obtained the benefits thereof; and (6) that Easton (while President of complainant) in 1897, attempted to procure the signature of Douglass to a paper stating that Douglass' license to make and sell duplicate sound-records, had expired.

In view of the foregoing, I am forced to the conclusion that the acquiescence of complainant in Douglass' actions tend more strongly to corroborate Douglass' claims, than the other circumstances of the case not so favorable to Douglass' contention tend to corroborate Mr. Easton's version of the transactions. I therefore hold that from the papers before me there is considerable doubt as to the question of license to Douglass, that the question is uncertain, and the preliminary injunction will be denied as to all defendants. Of course, the opinions herein expressed are based only upon the papers before me. The evidence would be entirely inadequate and insufficient for a proper hearing on the merits.

As the giving of a bond by defendant is only properly required when an injunction should go, and is simply an alternative for an injunction under proper circumstances, the bond heretofore given on the vacation of the restraining order may be released and the property taken by the Marshal returned.



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IN THE  
UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, A. D. 1899.

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No. 618.

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AMERICAN GRAPHOPHONE COMPANY,  
*Appellant,*

*vs.*

TALKING MACHINE COMPANY, POLYPHONE COMPANY,  
LEON F. DOUGLASS, SILAS F. LEACHMAN AND HENRY  
B. BABSON, *Appellees.*

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BRIEF FOR APPELLEES.

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MUNDAY, EVARTS & ADCOCK,  
SOLICITORS FOR APPELLEES.  
HOWARD W. HAYES,  
JOHN W. MUNDAY,  
OF COUNSEL.

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BARHARD & MILLER PRINT, CHICAGO.

FILED

SEP 30 1899

EDWARD J. MURPHY



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R. BABSON, *Appellees.*

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BRIEF FOR APPELLEES.

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STATEMENT.

This is a motion for a preliminary injunction, for an alleged infringement of letters patent No. 341,214, to Bell and Taintor, dated May 4, 1886. The complainant contended that the defendant, Leon F. Douglass, infringed upon certain claims of this patent of which claim 7 here quoted is the broadest:

"7. A sound record consisting of a tablet or other solid body having its surface *cut or engraved* with narrow lines of irregular or varied form corresponding to sound-waves, substantially as described."

The italicized words are the part which is supposed to distinguish the subject-matter of the claim from the prior art.



The complainant sells a machine called a phonograph or graphophone, which uses these tablets. The tablets are made of a proper size and shape to fit this machine, and when placed in the machine the whole apparatus becomes a complete talking machine. The nature of this machine is also such that when a *blank* tablet is placed in it the machine can be made to record sound-waves upon the blank tablet and thus make of the thing the cut or engraved "sound-record" claimed in the above claim.

It has been the practice of the complainant to sell blank tablets in unlimited quantities and without any restriction to the trade, who in turn supply purchasers of the machine with these blanks. The purchaser of the machine uses the blanks first to form sound-records upon them, and secondly to audibly reproduce the sounds recorded upon the tablets. And by paring off the surface of the blank with what is called a paring attachment, also sold by the complainant, the purchaser could use these blanks over and over again, until pared down too thin for any further use.

The burden of the charge against Mr. Douglass is that he bought of the complainant or of its licensee, the National Phonograph Company, these blanks, and by use of a pattern lathe (made out of a phonograph with some attachments added to it) copied, mechanically, on these blanks duplicates or replicas of the sound-wave indentations from an original sound-record, and sold these replicas so formed on said purchased blank tablets to the users of graphophones and phonographs bought of the complainant.

The contention on the part of the complainant was that although the tablets are sold with the intention that they



the blanks, firstly, by having sound-record indentations cut or engraved upon them, and used, secondly, as a means of reproducing the sound thus recorded, that the purchaser of such blanks or tablets was not authorized to form the sound-record indentations upon the blank in any manner other than that pointed out in the patent in suit. That is to say, while it is true that Douglass bought his blanks and his phonograph of the appellant, and that thereby he acquired the right to use a cutting style in forming the sound-records on the blanks, yet, inasmuch as the patent covers the moving of the style by sound vibrations conveyed through the air, Douglass cannot move the style in any other way in cutting the records on the blanks without making the resultant product, to wit: the duplicate record, an infringement, notwithstanding the way used by him is neither described or claimed in the patent.

The answer of Mr. Douglass to this proposition is (a) that the blanks are sold by the complainant and its licensees without any express condition or limitation as to their use; so that he was free to use them in any manner he saw fit; (b) that the formation of the sound-record indentations upon the blank is an act which must be done as an intermediate step somehow by somebody, and by some means before the blank can be used for its final purpose, and that hence, in so far as the claims in suit are concerned, it is no invasion of the patentee's monopoly, to form these sound-wave indentations upon the blank as an intermediary step, by other means than those set out in the patent; (c) that when the complainant sold the blank it was the intention that it should be consumed, and a sound-record made on it, and that the number of sound-records is not in fact increased by any particular means



employed for making them out of the blank, as for each sound-record blank sold by complainant one sound-record at least will result, and hence the act of Mr. Douglass does not in fact increase the number of sound-records at all, beyond the number of licensed blanks purchased by him. And hence, therefore, the act complained of is no invasion of complainant's monopoly, as it does not multiply the number of such sound-records as are claimed in the patent. (d) And a further answer to complainant's contention is that the complainant's licensee, the National Phonograph Company, which has authority to sell the blanks without restriction under an agreement containing no limitations whatever, has chosen to sell to Mr. Douglass these blanks or supplies, and has expressly assured Mr. Douglass that he may use them to make duplicate records upon.

In addition to the contention that the sale by the complainant and its licensees of the blanks upon which the sound records are made, to Mr. Douglass, and the assurance by the authorized seller of said blanks to Mr. Douglass that he was at liberty to use them for making duplicate sound records, Mr. Douglass further asserts and proves that he is and has been for years licensed by the American Graphophone Company, the appellant, to make duplicate sound records without any restriction, and whether the blanks be purchased of the appellant and its licensees or not.

In the year 1889 Leon F. Douglass invented a method of duplicating original sound records for phonographs. At this time he contrived two forms of apparatus for this purpose, both substantially the same and equally efficient. This apparatus consists essentially of a sort of



pattern lathe, which can easily be made out of an ordinary phonograph by supplying it with an extra or additional arbor, geared to run at the same speed as the main arbor of the phonograph. The sound record to be duplicated is placed on the main arbor and the blank upon which the record is to be duplicated is placed in a similar position upon the extra arbor of the phonograph. A point or tracer rests upon the rotating sound record and a cutting tool rests at the corresponding place upon the rotating blank, and the tracer and the cutter being connected together, each movement of the tracer is imparted to the cutter, and the form on the sound record is duplicated on the blank. In one form of apparatus the connection employed between the tracer and the cutter was an air tube. In the other form this connection was mechanical, that is, a lever or levers. When the lathe is put in motion the result is that the cutting tool engraves, indents or cuts a duplicate of the sound record in the blank in reverse, but practically the same as though the blank had been placed on the arbor of the phonograph itself and the record formed by the original means, that is to say, by the sound waves moving a diaphragm to which is attached the indenting or cutting tool.

In 1891 Mr. Douglass brought this invention to Chicago and began to manufacture duplicate sound records for use on the appellant's machine, using for this purpose the "tablets" or hollow cylindrical lead-soap blanks, which the appellant, or its licensees, sold openly and freely in the market without any restriction as to their method or manner of use. These blanks are made of a composition invented by Mr. Edison, which consists chiefly of lead soap. This material has a very peculiar texture, unlike anything else, but resembling more nearly than any other material



a very hard soap. Its qualities are the following: It is excessively brittle; it is very easily cut; the cuts have a smooth surface, the material being exceedingly smooth-grained and fine in texture; it is very hard; it is totally unlike wax in that it has no plasticity and no adhesiveness or stickiness. It was the discovery by Mr. Edison of the qualities of this material and its use by him which made the phonograph a practical success as a commercial instrument. The previous tablets made of wax and waxlike material had all been practical failures on various accounts, among other reasons, because the cutting tool was liable to clog, and also because the material would not stand the rubbing of the style in reproducing. To be practical it should stand a hundred or more reproductions.

Although the "body" described in the patent is a paper or pasteboard foundation, coated with a composition of beeswax and paraffine, the appellant has contended that Mr. Edison's hollow cylinder of lead soap is the equivalent, and that a record formed upon such a lead soap blank comes within the scope of the claim above quoted. This, however, has never been decided by the court in a controverted case that we can find. The appellant and its licensees in their practice under the patent in suit, as might well be supposed, do not use the waxlike tablet of the patent composed of the composition of beeswax and paraffine on a paper foundation as described in the patent, but on the contrary use the cylindric hollow blanks made of lead soap, etc., as invented by Edison.

In the practice of the alleged invention under the patent sued upon the appellant and its licensees are and have been accustomed to make and sell these tablets or blanks ready for use in the machine, and made to fit the machine sold



by the appellant and its licensees. It will be understood that the purchaser of a phonograph (or of the imitation machine called the graphophone, both of which are sold by the complainant and its licensees), in order to use the machine at all must have a supply of the tablets or blanks upon which to record the sound which it is intended to record and reproduce by aid of the machine. The blank would be of no use without the machine and the machine of no use without the blank. It was the practice of the appellant and its licensees to sell these blanks without any patent mark upon them, and without notice of any restriction whatever as to the manner of use. Neither the blanks nor the boxes or packages holding them contain any notice or restriction of any sort whatever to the purchaser. The size of the blank—that is to say, the hole or hollow in the blank made of the same size and the same taper of the machine which it is designed to fit, so that it could not, in fact, be used upon any other phonograph than the one made and sold by the appellant and its licensees, is the only restriction existing. And it may be incidentally remarked that from the shape and the nature of the material it is, in fact, impossible to conceive of any use to which the blanks could be put by anybody except to record sound waves upon and to reproduce such sounds in a phonograph.

Douglas bought these blanks of the appellant and its licensees, and employed a singer named Leachman, one of the defendants, to sing songs to the phonograph and thus write upon the blank or tablet a sound record. He then took this sound record, which is termed an original, and put it into his duplicating lathe and duplicated it by the aid of this lathe upon other blanks, similarly bought of the appellant and its licensees.



It is for making and selling these duplicate sound records made on the blanks purchased of the appellant and its licensees, and sold by them without restriction as to the method in which the record shall be written on them, that this suit is brought and for which this injunction is asked.

Mr. Douglas was himself the originator of the business of making the sound record on the blank by this process of duplication, and the first to discover a practical means for so doing. (Rec., 80.)

Until Douglas made this discovery or invention the only way known for practically indenting or cutting the record on the tablet was by aid of the voice or other sounds. And consequently, as will be readily seen, the sound records were expensive. We are informed by the affidavits that the appellant was obliged to charge two dollars apiece for the sound records which it furnished its customers. Mr. Douglas was able to sell the duplicates as low as fifty cents each. During this year 1891 Mr. Douglass' duplicate sound records were extensively advertised and sold. (Rec., 91.)

In 1892 E. D. Easton, then director of agencies for, and who has always been a leading spirit in the appellant corporation, came to see Mr. Douglass about this duplicating business. He told Douglass that his company had a patent which covered it, and referred him to two patents. These patents he showed to Mr. Douglass. One of them was the patent in suit. Mr. Douglass acknowledged that it seemed to be a fact Mr. Easton's company did have a patent, but that he, Douglass, was in possession of a secret way of doing the thing.

"I told him that it looked to me as though that was so; that he owned the patent, but that the machine of the Taintor patent 341,287, could not do the work,



and was utterly impracticable (which is now a well-known fact) moreover, that he did not know how to do the work, and that nobody else knew how except me; that if he had the patents I had the practical process and machine, and nobody else knew the secret of it; that it was this secret—my knowledge of how to do the thing—which nobody else knew how to do—which I had to trade with him, and nothing else; for I did not have any patents on it and did not know whether or not any could be obtained." (Rec., 82.)

Mr. Easton induced Douglass to go to Washington and into the employment of the American Graphophone Company, appellant. They were anxious to find out from Douglass how to make duplicate sound records, and he says "worked at me continually seeking to get me to disclose my secret method." (Rec., 82.) He finished some duplicate records

"and they were submitted to the board of directors of the company, or various companies which Mr. Easton represented. At this meeting of the board of directors there were present Mr. Easton, Mr. Payne, Mr. Chichester S. Bell and Mr. Charles Sumner Taintor. I was told that the directors were very much pleased with my invention. Within a day or two I made an agreement with the American Graphophone Company, and the other companies represented by Mr. Easton. I told them I had no patent, and they knew that I had not applied for any, and I did not know that I could ever get one, and told them so. But I had the knowledge of how to make sound records, which could be sold at a large profit at 50 cents apiece, and almost, if not quite, as good as the ones which they were compelled to charge \$2 apiece for, and they fully understood this. I agreed to disclose this secret method or process and to show them how to build the apparatus for using it for a royalty of 2 cents on each duplicate record made by them; I to make application for any patents which they might see fit to pay for at their own expense, and to assign any such patents to them if they were applied for and



obtained; they were also to advance me on royalty account one thousand dollars, or its equivalent in graphophone machines. This agreement was carried out and the American Graphophone Company sent me \$1,000 worth of machines in accordance with this agreement. And within a month or two Mr. Easton's other company, known as the Columbia Phonograph Company, gave me a check for about \$16.00 on account of royalties. About the time when the agreement was made between us, the American Graphophone Company wrote me a letter, dated March 17, 1892, signed by the American Graphophone Company, by James G. Payne, its president, and E. D. Easton, its director of agencies, and they asked me to sign it also, which I did. On the same day, and at the same time, Mr. Easton wrote me a letter which was dated March 16, 1892, signed by Mr. Easton, and which he asked me also to sign at the same time, which I did sign on the same day that I signed the other one dated March 17, 1892. Mr. Easton told me that these letters would be evidence of the agreement between us. These two letters, evidencing the agreement, I am ready to produce in court if wanted." (Rec., 82, 83.) (For the two letters or contracts, see pages 92, 93, 94.)

Although the agreement of the appellant to pay a royalty of 2 cents per cylinder on all records made according to Douglass' secret method was not dependent upon the obtaining of any patents by Douglass, still the companion agreement with Easton (Rec., 92, 93), made by Easton for the benefit of appellant, provides that Douglass shall make such applications for patents as Easton may wish and pay the expenses of. In pursuance to this supplemental agreement Mr. Easton had Douglass make application for a patent upon the air connection form of the apparatus, which resulted in letters patent No. 475,490, dated May 24, 1892.

"At that time I told Mr. Easton that I thought they



had better file an application upon the other form. But for some reason he delayed doing it until in 1895, although I spoke to him about it and told him he ought to do it in the interest of his companies, as I had got both of the forms up in 1889 while I was at Grand Island; that one was quite as good as the other." (Rec., 86.)

A copy of the specification of this application filed in 1895 on the apparatus having the mechanical connection is found at pages 98 to 101 of the record.

In July, 1892, the appellant, by Mr. Easton, gave Mr. Douglass a letter stating:

"Your duplicating process has been successfully applied to the graphophone, and this company has contracted with you for the right to its use hereafter on payment of a royalty." (Rec., 83.)

In July, 1892, pending the existing agreement with the appellant, Mr. Douglass was licensed by appellant to manufacture duplicate records upon certain terms and conditions:

"I agreed to buy of them at least fifty master or original records per month, and I was then to have the privilege for my own account to make as many duplicates from these originals as I wished, or until they were worn out." (Rec., 83.)

Under this arrangement Mr. Douglass continued to operate until January, 1895, when a modification was made which is stated by Mr. Douglass, as follows:

"In December, 1894, I visited Mr. Easton in Washington, and told him of some improvements on the duplicating machine I had made, and to which his companies were entitled under my agreement. He asked me to make one of the improved machines for his companies, as his companies would like to go into the duplicating business more extensively. And while I was in Washington he asked me to modify



the agreement which I had made with his companies. He stated that they thought of going more extensively into the business of making duplicate sound records, and asked me to waive the royalty of 2 cents per record, and stated that if I would waive this royalty to his companies they would give me a permanent permit or license without any conditions as to the purchase of master records from them to manufacture and sell as many duplicates as I saw fit. I thought this was a better arrangement in some respects than one we were working under then, and therefore consented. Thereupon Mr. Easton wrote me a letter dated January 3, 1895, which he said would evidence the modification of the contract between his companies and myself, and that its effect was to give me the unrestricted right to make and sell duplicate sound records." (Rec., 84.) (For a copy of the letter referred to, see page 95.)

Under this modified agreement and license or understanding, Mr. Douglass has continued purchasing sound-record blanks of the appellant and its licensees, and making with them duplicate records ever since January, 1895, excepting for a time during which he was personally in the employment of the appellant, or its selling agency, the Columbia Phonograph Company, from August, 1897, to October 1, 1898. (See page 89-90.) At the time he entered the temporary employment of the appellant's company, he sold to the Graphophone Company, appellant, five duplicate machines which he had been using in his business up to that time, and the appellant paid him for the same. (Rec., 89-90.)

"At the time of this purchase of my five duplicating machines, the American Graphophone Company and its president. Mr. Easton, well knew that I had a license to make and sell duplicate sound-records; that I had been exercising that license for years, and that I did not sell it, surrender or give it up." (Rec., 90.)



In March, 1898, Mr. Douglass entered the employ of the American Graphophone Company itself, directly, and remained in such employment until October 1st, 1898. During these periods, i. e., from August, 1897, until October 1st, 1898, while he was in the employment of the appellant and one of the appellant's companies, it does not appear that Mr. Douglass made any duplicate sound-records under his license.

On October 1st, 1898, Mr. Douglass left the employment of the appellant:

"for the purpose of starting in the business of manufacturing duplicate sound-records under my license, with the full knowledge and consent of the American Graphophone Company, and Mr. Easton, its president." (Rec., 90.)

And he has continued in this business ever since.

Attempt was made upon two occasions by the appellant and its agents to have Mr. Douglass sign a paper which would indicate that he had no license from the appellant. These are mentioned upon page 90 of Mr. Douglass' affidavit, as follows:

"In April, 1897, about the time when the Chicago Talking Machine Company made this agreement with the American Graphophone Company to wind up its affairs, and I agreed to enter the employment of the Columbia Phonograph Company, Mr. E. D. Easton admitted and acknowledged to Mr. Charles Easton [Dickinson] and myself the existence of this license from the American Graphophone Company to me, and asked me to sign a paper stating and acknowledging that the license or authority granted me by the American Graphophone Company had expired. I flatly refused to sign the paper.

In the spring of 1898; while I was in the employ of the American Graphophone Company, that company had a suit against the Western Phonograph Com-



pany, in which they desired my testimony concerning some matters, in the form of an affidavit. They prepared an affidavit for me to sign, which was presented to me by Mr. Brown, of Messrs. Poole & Brown, their attorneys, of this city. This affidavit contained the statement that the American Graphophone Company had not granted a license to any one except to the National Phonograph Company, for making duplicate sound-records under its patents. I reminded Mr. Brown that this was not true—that I had a license to manufacture duplicate sound-records. He corrected the affidavit in this respect, and I then signed it." (Rec., 90.)

("Charles *Easton*" in the first paragraph above, should read Charles "*Dickinson*.")

Mr. Dickinson states with reference to the first above-mentioned attempt, as follows:

"I know of my own knowledge that for several years prior to 1897 Mr. Leon F. Douglass had used a number of duplicating machines and made duplicate sound-records on them, and sold them to others, including the Chicago Talking Machine Company, and that he had a license from the American Graphophone Company to so make and sell duplicate sound-records, and that his said license was exercised by him with the full knowledge and consent of E. D. Easton, the president of the American Graphophone Company. I was present with Leon F. Douglass and E. D. Easton in April, 1897, when the Chicago Talking Machine Company agreed to wind up its affairs, and I know of my own knowledge, that at this time the American Graphophone Company, by E. D. Easton, its president, admitted and acknowledged that Leon F. Douglass had a license from the American Graphophone Company to make and sell duplicate sound-records. And afterwards I was present and heard the American Graphophone Company, by Mr. E. D. Easton, its president, agree to buy of Leon F. Douglass five (5) duplicating machines which Mr. Douglass then had, and some of which he



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had been making for years in making duplicate sound-records for sale under his license, as Mr. Easton at this time well knew. I know of my own knowledge that at the time Mr. Douglass agreed to sell these five duplicating machines for \$250.00 to the American Graphophone Company, he did not agree to sell or surrender his license to make and sell duplicate sound-records. On the contrary, I remember distinctly that Mr. Easton presented to Mr. Leon F. Douglass a paper for Mr. Douglass to sign, stating or acknowledging that Mr. Douglass' license from the American Graphophone Company to make and sell duplicate sound-records had expired. And I know that Mr. Douglass refused to sign this paper." (Rec., 106-107.)

The manufacture of duplicate sound-records by Mr. Douglass has been open and a matter of public notoriety and general knowledge.

"I have been engaged in this business of manufacturing and selling duplicate sound-records since July, 1891, with full knowledge and consent of the complainant and its president, E. D. Easton, and under their license; such manufacture and sale being for and to Mr. Easton's branch company, up to August, 1893, and on my own account, under personal license to me since that date." (Affidavit of Douglass, Rec., 80.)

"Since my license, the American Graphophone Company, the Columbia Phonograph Company, Mr. Easton, who is president of the American Graphophone Company, and also president of the Columbia Company; Mr. R. F. Cromeline, who is vice-president of the two companies, and Mr. Mervil Lyle, who is also vice-president of the American Graphophone Company, have all been fully aware that I have been engaged in the business of making and selling duplicate sound-records under my license from them. Cromeline and Easton have been at my house where I made these records, and Lyle has been with Easton at my place of business on Madison street, where



I make them. And Easton has been in my place of manufacture, 107 Madison street, many times, and has seen my employes making the duplicate records. And they have all known that I have invested my money in this business, and Easton and others of them have personally encouraged me to proceed in it, and have seemed glad that I was making money out of it." (Douglass' affidavit, Rec., 85.)

"I have always understood that Leon F. Douglass was licensed to manufacture duplicate sound-records by the American Graphophone Company, and I know of my own personal knowledge that he has openly exercised this right with the full knowledge and consent of E. D. Easton and the American Graphophone Company for many years." (Affidavit of Charles Dickinson, Rec., 62.)

"I have always understood, and it is a matter of general knowledge among talking machine men and dealers, that Leon F. Douglass is licensed by the American Graphophone Company to make duplicate sound-records. I know Mr. E. D. Easton, and have known him since 1893, and I know such right to make duplicate sound-records was exercised by Mr. Douglass with Mr. Easton's full knowledge and consent." (Affidavit of Leachman, Rec., 65.)

Mr. E. D. Easton, who is mentioned so often as a leading spirit in the affairs of the appellant corporation, and who is a lawyer by profession and a man of affairs, says of his connection with that company:

"I have been a director most of the time since the organization of the company. I became general manager about five years ago, and president shortly after becoming general manager." (Rec., 120.)

In 1895 Mr. Easton was also counsel for the appellant. (Rec., 122.)

In 1892 Mr. Easton was director of agencies of the appellant company. (See his signature as such, Rec., 94.)



Leon F. Douglass is now thirty years old (Rec., 80); and in 1892 was twenty-three years old.

There seems to have been at all times, prior to this suit, a most cordial and mutual confidence and esteem existing between Mr. Douglass and Mr. Easton. Mr. Douglass seems to have trusted Mr. Easton, and Mr. Easton appears to have held Douglass in high esteem. (See letter, page 96.)

Mr. Douglass explains the cause of this litigation as follows:

"A long time ago—just when, I am advised by my counsel not to disclose, as it might jeopardize my rights in the Patent Office—I invented a very important improvement in talking machines. Up to the time of my invention it had been supposed that the loudness of the sound-waves produced depended entirely upon the depth of the undulations in the bottom of the sound-groove of the record. This I discovered is not true. I demonstrated that the distance from crest to crest of the sound-waves, and the surface speed motion of the cylinder, was the measure or important feature upon which the loudness depended. This is my invention. I have built machines at different times containing this invention for experimental purposes, and to demonstrate the invention. I explained this invention and its principle to Mr. E. D. Easton many months ago. Some months after I explained it to him, he caused one of his employes, by the name of Macdonald, to file an application in the Patent Office, claiming this invention of mine as his own, and, as I am informed and believe, to assign the same to Easton's companies. And an interference is now about to be declared between my application and that of said Macdonald. And Easton has sent his attorneys, and other persons have been repeatedly to see me, to arrange a settlement or to get me to state my dates. And their attorneys have written to my attorneys to the same effect. Mr. Easton himself came to Chicago to see me about the



matter. But I sent Mr. Easton word that I would not talk to him about it except in the presence of my attorneys. I believe this made Mr. Easton very angry, because he could not control me in this matter, as my invention, above referred to and known as the Concert Phonograph or Graphophone Grand, and which can be readily heard a block away, is regarded as an invention of the utmost value and importance. Mr. Easton's companies, and also the National Phonograph Company, its licensees, are making these machines and selling large numbers of them with my invention and without my consent. While the ordinary phonograph or graphophone sells for from \$5.00 to \$25.00, these improved instruments, which cost very little more to make, have been bringing in the market from \$100.00 to \$300.00 apiece. And I am informed that the factories are months behind in their orders for them. Mr. Easton very well knows that I am the inventor of this machine in which he is so deeply interested, and the patent for which he is now trying to deprive me of. And I have no doubt that this suit brought collectively against me and others with whom I have business relations, is solely for the purpose of breaking me down in my business in order to prevent me from fighting the interference in the Patent Office, and with a view of forcing me to a settlement on Mr. Easton's own terms." (Affidavit of Douglass, Rec., 87-88.)

The remaining defendants besides Mr. Douglass are the Talking Machine Company, the Polyphone Company, Silas F. Leachman and Henry B. Babson. The Talking Machine Company is a trade concern engaged in Chicago in the business of handling, commercially, the phonographs or talking machines manufactured by the appellant and its licensees. This concern has no interest in the business of Leon F. Douglass complained of. The Polyphone Company is another trade concern which buys talking machines of the appellant and its licensees, adds an im-



percent of its own to them, and sells them again for profit. This concern has no interest in the business of Leon F. Douglass complained of. It is true that the Polyphone Company, the Talking Machine Company and Leon F. Douglass have an office in the same building, and at the same place, as they are all engaged in handling the goods of the appellant and its licensees, Mr. Douglass buying, as we have seen, the blanks which he makes into duplicate sound-records, and the other two concerns handling other goods of the appellant and its licensees. Mr. Babson is the president of the Talking Machine Company, and Mr. Leachman is an employe of Mr. Douglass.

The appellant filed simultaneously two bills of complaint, the one upon which this suit is based, and another against these same defendants joined with Seeter & Ott, who, it appeared at the motion for preliminary injunction, had never had any business relations of any kind whatever with any one of the defendants herein, and who were unknown to most of the defendants.

Accompanying these two bills were affidavits made by detectives, detailing, in the most approved "Old Sleuth" fashion, the efforts of the detectives to find out that Douglass was and had been engaged in the business of manufacturing duplicate sound-records. And these detective affidavits contain a ground-plan of the place of business, and the fact is told that the words "no admittance" is written over one of the doors, and that somebody had marked a skull and cross-bones there, indicating that it might be death to enter without permission.

With these two bills of complaint and the detective affidavits, and upon representation that the defendants were organized together for the purpose of secretly and surreptitiously conspiring to defraud the appellant of its rights,



counsel for appellant went to the district judge, *ex parte*, and procured restraining orders in both suits, and an order for the marshal to seize the machines and goods of the defendants. And under this order such a seizure was made. This temporary restraining order, made *ex parte* and without a hearing, was of course intended by the court for no other purpose than to hold matters *in statu quo* and conserve the rights of all parties until a motion for preliminary injunction could be heard.

When the motion for preliminary injunction came on to be heard, however, it appeared that the appellant had diligently made use of the restraining order to almost ruin the business of the defendants. Letters and circulars were written and sent broadcast to the defendants' customers which frightened them and stopped their business. These letters were produced in court but do not appear in the record founded on this bill.

In addition to this the appellant filed a bill of complaint in the Circuit Court under a patent to one Betinni to enjoin Mr. Douglass from making and selling duplicate sound records.

In addition to this the appellant filed another bill of complaint against Mr. Douglass asking for a specific performance of an alleged contract by Douglass to transfer to the appellant the invention above alluded to, known as the Concert Phonograph or Graphophone Grand, thus at last disclosing the real purpose of all this mass of litigation, and this effort to break down the business of Mr. Douglass and prevent him from being able to fight for his rights in the Patent Office.

The affidavits are numerous, hurriedly prepared on the part of the defense in answer to an extended attack upon



a number of different people, and it could not be certainly told whether the burden of complaint was the making of the duplicate sound records, or something else under the numerous claims of the patent sued on, and the affidavits filed on behalf of the appellant were very blind in this regard, although otherwise surprisingly full of detail. Consequently, the papers in the record are voluminous, somewhat disjointed, very badly arranged in point of order, and the facts hard to get at from them. But we think we have above stated all that is essential. After a study of the facts, one is led to believe that the litigation as a whole is not brought for the purpose of preventing an irreparable injury to the American Graphophone Company by the infringement of its patent in suit; but on the contrary, is a wholesale attempt to embarrass and involve Leon F. Douglass, with a view to cripple him in such manner that he would not be financially able to successfully contest an interference case in the United States Patent Office, involving a valuable invention. And that as to the ostensible purpose of the suit we think it appears that Mr. Douglass originated the art and business of making duplicate sound records, sold his secret to the appellant many years ago on a royalty agreement, at a time when the business did not amount to so much as it does now; afterward modified this agreement and accepted a personal license in lieu of the royalty, and has been operating under that license ever since. And further that Douglass, having bought all his "blanks" of appellant and its licensees, the National Phonograph Co., and having in addition been assured by said licensee that he might use them to make duplicate records, would not in any event have invaded the appellant's monopoly even if he had not possessed the license.



## POINTS.

## I.

The open, unrestricted sale upon the market of the tablet or sound record blank by the patentee, and which can be used for no other purpose, except to write sound records upon it, creates an implied license to the purchaser to use it for this purpose, notwithstanding the patentee may have a claim on such blank when indented or engraved with the sound record. And it is immaterial how or by what means the blank is consumed, that is to say, has the sound record written upon it, provided the means employed does not itself infringe upon the patent. For this reason the acts complained of here can constitute no invasion of the appellant's monopoly or infringement of its patent.

## II.

This implied license growing out of the purchase of the blanks from the appellant or its duly authorized agent or licensee, the National Phonograph Company, is rendered absolutely conclusive when said agent informs the purchaser that "the National Phonograph Company is glad to have as many sold and used as possible, and that said company is entirely indifferent as to the manner of their use, whether for making original sound records or duplicates."

## III.

The defendant, Douglass, has an actual license from the appellant without restriction to make duplicate sound records. And his action complained of is, therefore, no infringement, and would be no infringement even if he did not purchase the blanks that he uses from the appel-



lant, and did not have the implied license created by said purchase.

#### IV.

No reason is presented why a preliminary injunction should be granted in this cause, even if there was no actual license and no implied license. Because the act complained of is no injury to the appellant and its licensees, still less an irreparable injury.

#### V.

It does not appear that the other defendants beside Leon F. Douglass, have participated in the act complained of—the making of duplicate sound records—excepting Silas F. Leachman, who is a mere servant or employe of Douglass, and hence the other defendants should not have been joined with Douglass.

#### VI.

The inequitable conduct of appellant in bringing a multitude of suits against Douglass, joining a number of people with him as co-defendants, procuring *ex parte* restraining orders against him and them, and advertising this fact to the public before any hearing was had, is a gross abuse of the process of the court, and of such nature that the appellant is entitled to no consideration whatever upon such a motion as this.

#### VII.

No showing has been made that the patent in suit has been so sustained that this court should grant a preliminary injunction.



## ARGUMENT.

### I.

THE OPEN, UNRESTRICTED SALE UPON THE MARKET, OF THE TABLET OR SOUND RECORD BLANK BY THE PATENTEE, AND WHICH CAN BE USED FOR NO OTHER PURPOSE, EXCEPT TO WRITE SOUND RECORDS UPON IT, CREATES AN IMPLIED LICENSE TO THE PURCHASER TO USE IT FOR THIS PURPOSE, NOTWITHSTANDING THE PATENTEE MAY HAVE A CLAIM ON SUCH BLANK WHEN INDENTED OR ENGRAVED WITH THE SOUND RECORD. AND IT IS IMMATERIAL HOW OR BY WHAT MEANS THE BLANK IS CONSUMED, THAT IS TO SAY, HAS THE SOUND RECORD WRITTEN UPON IT, PROVIDED THE MEANS EMPLOYED DOES NOT ITSELF INFRINGE UPON THE PATENT. FOR THIS REASON THE ACTS COMPLAINED OF HERE CONSTITUTE NO INVASION OF THE APPELLANT'S MONOPOLY OR INFRINGEMENT OF ITS PATENT.

It is not, in fact, any invasion of the appellant's alleged monopoly as defined by the claims 7, 8, 10, 17 and 18 of letters patent 341,214 in suit, for the defendant Douglass to mark, indent, impress, cut, engrave, or otherwise fashion a sound record, or a copy of a sound record upon a blank sold to him by the appellant, and which was expressly designed and intended, shaped and proportioned, and in every way constructed to be used for the identical purpose, and no other, of having such a sound record fashioned upon it, and which could be used for no other purpose whatever.

The fact that the appellant and its licensees sell these blanks for money, raises the conclusive presumption, they



attend that sound records shall be fashioned upon them, because they are obviously capable of no other use whatever than this.

Nor is it material to this proposition in what manner or by what means the sound record is marked upon said blank or tablet. Because it was intended that the blank should be consumed by the purchaser, or by his customer by having a sound record marked upon it, and when a sound record is marked upon it the blank is consumed, whatever the means employed for doing the marking. When the blank is marked with the record it is consumed, just as much whether the marking be done by the use of sound waves in one of appellant's machines, or whether the marking be done in a pattern lathe.

It should be remembered that there is no difference whatever between the blank sold by the appellant and the sound record complete, in shape, size or appearance, in constitution or material, excepting only that the completed article contains upon its surface the indentations capable of reproducing sound when placed in one of the appellant's machines *which it is expressly fashioned to fit*. That is to say, the marking of the sound record indentations is an intermediate operation necessary to be performed upon the blank or instrumentality before the latter can be employed in the appellant's machine for the purpose of producing the counterfeit presentment of the human voice or other sound. The blank originates in the factory of the appellant or its licensee, is sold to the public, and finally, after being marked with a sound record, by whatsoever means, is in the end and at last used only in one of the appellant's machines, sold by it, or by its duly authorized agents, to the public.

**It is not the intention of the patent law that the public**



shall be placed under tribute twice to a patentee. And when the appellant chose to make a profit by the unrestricted sale of the blank, fashioned to fit its machine, and ready to receive the sound record indentations, such sale and profit or tribute levied ends the monopoly so far as the particular blank sold is concerned.

*Mitchell v. Hawley*, 15 Wall., 544.

*Adams v. Burke*, 17 Wall., 453.

*Morgan Co. v. Albany Co.*, 152 U. S., 425.

*Hobbie v. Jenison*, 149 U. S., 355.

*Keeler v. Standard Co.*, 157 U. S., 244.

*Downton v. Yeager Co.*, 9 Fed. Rep., 402.

And this view of the matter works no hardship whatever upon the appellant, in any aspect. Because if the appellant has any real reason to object to have an intermediary put the record upon the blank, which is finally to be used in its own machine any way, it is perfectly easy to put a stop to this practice, either by refusing to sell the blanks any longer to Mr. Douglass, or by placing such restrictions upon the sale as would prevent him from the intermediate act complained of. And it does not lessen the weight of this proposition that the licensee of appellant, the National Phonograph Company, who exercises the right to make and sell these blanks to Mr. Douglass, and others, chooses to sell the same without restriction; because the appellant should control its licensee, the National Phonograph Company in this respect. Or, if it has parted with the right to control said licensee in this regard, then the appellant cannot complain if Mr. Douglass continues to use the blanks said licensee sells to him.

It might be a different proposition if Mr. Douglass were engaged in the manufacture of machines like the patented



machines of the appellant and infringements upon them, and was selling the duplicate records for use on these machines that infringed. In that case, however, the appellant's remedy would be to sue him for the infringement committed by the manufacture and sale of the machine; or if there be claims upon the combination of the machine and the record or tablet, to sue him for the infringement of these claims. Or, again, it might be different if the appellant had a patent on the process of marking the sound record on the blank, which Mr. Douglass infringed upon; in that case the remedy would be to sue Mr. Douglass for infringing by the act of making. But concededly Mr. Douglass does not infringe upon any of the claims on the mechanism contained in the patent in suit; nor upon the combination of the mechanism with the blank or tablet or sound record; nor upon any process or method of marking sound records upon a tablet. All that he is charged with doing is the marking the sound record as an intermediary step upon the blank made and sold for that purpose by the appellant, and the sale of it again to the owners of machines purchased of appellant, the charge being against the completed article only.

We respectfully submit that it should be unnecessary for us to go further in this argument; that to hold Douglass under the circumstances an infringer of the patent in suit would be stretching the doctrine of the patentee's control of his monopoly to an utterly unjustifiable extent. The patent contains no description, either of the art of duplicating or of a duplicate record, nor any claim upon either, and to enjoin Douglass under it would be in effect construing it as covering the duplicating attachment because every other instrumentality used by him is licensed under the patent.



## II.

THIS IMPLIED LICENSE, GROWING OUT OF THE PURCHASE OF THE BLANKS FROM THE APPELLANT OR ITS DULY AUTHORIZED AGENT OR LICENSEE, THE NATIONAL PHONOGRAPH COMPANY, IS RENDERED ABSOLUTELY CONCLUSIVE WHEN SAID AGENT INFORMS THE PURCHASER THAT "THE NATIONAL PHONOGRAPH COMPANY " IS GLAD TO HAVE AS MANY SOLD AND USED AS POSSIBLE, AND THAT SAID COMPANY IS ENTIRELY INDIFFERENT AS TO THE MANNER OF THEIR USE, WHETHER " FOR MAKING ORIGINAL SOUND RECORDS OR DUPLICATES."

The presumption of an implied license to Mr. Douglass to use the blanks purchased by him in the manner he uses them, growing out of the unrestricted sale of said blanks to him by the appellant, or its licensee, the National Phonograph Company, is especially strengthened in this case by the proof relating to the action of the National Phonograph Company, as follows:

"As I stated before, the sound record blanks which I have used in making my duplicate sound records, I have in every instance purchased from the complainant, or its regular licensed manufacturers, directly or indirectly. For a year or two I have purchased many of my blanks directly or indirectly from the National Phonograph Company, which company is licensed by the complainant to manufacture and sell these blanks under the patent sued upon, and other patents owned by the complainant. And the National Phonograph Company sells blanks to me and to others absolutely without any restriction as to how they shall be used. If any restriction upon the use of these blanks was intended it would be easy to put a



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label on the package or on the blank, or its wrapper, giving notice to the purchaser of such restriction. But there is not, nor has there ever been such a label, notice or notification of any kind upon or about the blanks or their packages or wrappers. Moreover, I have been assured by Mr. Gilmore, the manager of the National Phonograph Company, that no restriction is intended to be placed upon the use of these record blanks; on the contrary, that the National Phonograph Company is glad to have as many sold and used as possible, and that said company is entirely indifferent as to the manner of their use, whether for making original sound records or duplicates. The National Phonograph Company has been, to my knowledge, so engaged in manufacturing and selling these sound record blanks for a number of years. And the complainant itself also sells similar sound record blanks without any notice or restriction as to their method of use, and has been doing so for a number of years. It has sold these blanks to me with the full knowledge and understanding that I intended to use them in making duplicate sound records. And the National Phonograph Company has sold me thousands of these sound record blanks, knowing that I was engaged in making duplicate sound records, and knowing that I bought the blanks for that purpose. And, during the past week, the manager of the National Phonograph Company, Mr. Gilmore, has offered to sell me, and stated that he would continue to sell me as many of these sound record blanks as I might need for the purpose of cutting or writing duplicate sound records on them, and that they were sold without any restriction, and that he and his company had no objection whatever to my using them for making duplicates." (Affidavit of Leon F. Douglass, Rec., 90, 91.)

It will be seen from the foregoing that Mr. Gilmore, the manager of the National Phonograph Company, has assured Mr. Douglass that he might use the blanks purchased of his company for making duplicate sound-rec-



ords, which is precisely the thing which the appellant now asks the court to enjoin Mr. Douglass from doing. And it therefore appears that the appellant is asking this court to enjoin Mr. Douglass from doing the very thing with the blanks which the authorized licensee of appellant assured Mr. Douglass that licensee would be glad to have him do with the blanks, and which he might do with them. This proceeding, therefore, is utterly without any foundation in equity or right.

Moreover, the bringing of this suit against Mr. Douglass under the circumstances, would appear to be a violation by the appellant of the agreement of license between the appellant and its licensee, the National Phonograph Company, where Mr. Douglass purchases his supplies. A copy of this agreement is set forth in the affidavit of Howard W. Hayes, pages 112, 113 and 114 of the Record. This instrument grants to the National Phonograph Company the right, under the Bell & Taintor patent, 341,214, in suit, to sell not only the talking machines, but also the *supplies*. And the blanks sold by the licensee company to Mr. Douglass, come under the designation of "supplies."

The instrument further proceeds to set forth:

"It is further agreed that neither interest will bring suit against such types of apparatus or supplies as has been put out commercially by the other interest before the date of this contract, whether put out by either interest before or after this contract." (Affidavit of Howard W. Hayes, Rec., 113.)

And it thus appears that this suit against Douglass is not only unjustifiable as being an unwarranted interference with the rights of the purchaser of the blanks, but is also in addition an act of bad faith of the appellant



ward its partner and licensee, the National Phonograph Company, and a violation of its agreement with that company, by seeking to interfere with the sales of its licensee by hampering and restricting its customers in the use of the goods sold.

But this, it may be remarked, seems to be of a piece with all the rest of the conduct of this appellant, who seeks equity.

### III.

THE DEFENDANT, DOUGLASS, HAS AN ACTUAL LICENSE FROM THE APPELLANT WITHOUT RESTRICTION TO MAKE DUPLICATE SOUND-RECORDS. AND HIS ACTION COMPLAINED OF IS, THEREFORE, NO INFRINGEMENT, AND WOULD BE NO INFRINGEMENT, EVEN IF HE DID NOT PURCHASE THE BLANKS THAT HE USES FROM THE APPELLANT, AND DID NOT HAVE THE IMPLIED LICENSE CREATED BY SAID PURCHASE.

The proofs show that defendant Douglass has an actual permit or license from the appellant to make duplicate sound-records without any restriction whatever, and to sell the same, for the granting of which license the appellant has already received a consideration exceeding, at the lowest estimate, a half million of dollars. And when we remember that in addition to this it was concededly Mr. Douglass who discovered the practical way to make duplicate records, and who imparted this knowledge to the appellant corporation, which has so largely benefited thereby, it seems surprising that even a corporation, or artificial body, organized solely for gain, could be found to assume the attitude that the appellant has taken in this cause, impelled by a greed, which, to the ordinary man,



seems appalling, and with a disregard of the usually observed proprieties, such as seems shocking. But it is over true that the necessary instrument of modern civilization known as a corporation for gain, is, too often, nothing but an organized appetite.

We learn that this suit against Mr. Douglass is only one of a series of four suits brought by this same corporation against him in the Circuit Court. And when these four bills of complaint are all taken together, coupled with Mr. Douglass' explanation of certain facts, it will be clear that the prime cause of this tremendous attack and massing of battalions against a young man without means, was not any injury growing out of the manufacture of duplicate sound-records by Mr. Douglass; nor even a desire to harass and injure its licensee and rival in trade, the National Phonograph Company of Mr. Edison; but a still more vital thing to wit: the desire to obtain possession of two inventions which Mr. Douglass has made, and which are of the utmost value and importance in the talking machine business. Without this ulterior and dominating motive, it is hard to believe that appellant could have been induced at all to bring this suit against an openly acknowledged licensee for doing that which he was licensed to do. But in order to accomplish this purpose it was necessary to crush Mr. Douglass financially at the outset, and hence an attack the like of which has not often been seen in this court.

On a motion for preliminary injunction it will, under the law, be sufficient to defeat the injunction if the defendant asserts that he is licensed and creates a reasonable belief in the mind of the court that this *may be true*. The reason of this is because the complainant on such a motion is required to establish certain things beyond a reasonable doubt.



The rule in this respect is well stated by Mr. Justice STONG:

"A preliminary injunction is always an extraordinary exercise of judicial powers. Its purpose is to preserve the existing state of things until the rights of the parties can be fairly investigated. It is not to be used for any other purpose. It looks forward to a trial, and when it is of no importance to preserve things as they are, when the injunction is asked for, it will not be granted. It ought never to be issued unless the right of a patentee is an established or an admitted one, and *unless the invasion of the right is proved beyond reasonable doubt.*"

*Am. Nicholson Pavement Co. v. City of Elizabeth*, 4 Fisher, 189. (The italics are ours.)

"A license is a good defense to a motion for a preliminary injunction; and where the affidavits leave the existence of a valid license in doubt, a preliminary injunction will be refused."

Walker on Patents, Sec. 682.

*Beane v. Orr*, 2 Ban. & Ard., 176; 2 Fed. Cas., p. 1163.

The learned counsel for appellant, at pages 13 and 14 of his brief, seems to take the view that because the burden of asserting the license is upon defendant, and the burden of proving the same upon him, that therefore defendant must prove the license *by affidavits* beyond doubt. But this proposition is evidently absurd, for many reasons. Defendant would not be required to prove his license beyond a doubt at the final hearing; a preponderance of evidence would be sufficient. Still less would he be required to prove it beyond doubt at a preliminary injunction motion. How can anything, indeed, be proved beyond doubt by mere *ex parte* affidavits? And the learned judge below who denied the injunction was, of course, right in



holding that if this question was even in doubt the injunction should be denied.

Consider a moment. The issue between the parties is a license asserted by the defendant and denied by the complainant. Proof is adduced tending to show the existence of the license and corroborating the assertion of defendant, but being in the form of affidavits this proof is, of course, not conclusive, and possibly leaves a doubt in the mind of the court. Under such circumstances has the complainant made out such a case as to entitle it to an injunction at the beginning of the suit and before the proof can be taken in the regular way by depositions of witnesses cross-examined by the opposite party? We submit that there can be a little doubt, at any rate, as to how the court will answer this question.

But while we advance the foregoing legal proposition as to the rule which should guide the court in an examination of the imperfect proofs necessarily accompanying every motion for a preliminary injunction, we by no means admit that the question of Douglass' license is left in doubt by the proofs in this case. That is to say, if the affidavits filed are to be taken as true there can be no doubt of the fact that Douglass has the license in question, and moreover that it is wholly without restriction of any kind whatever.

The license arrangement under which Mr. Douglass now claims to be operating, dates back to January, 1895. Previous to this, however, he had also been licensed, but under a different arrangement.

Prior to January, 1895, and ever since March, 1892, the two corporations which seem to be controlled by Mr. Easton, namely: the American Graphophone Company,



the appellant agent, the Columbia Phonograph Company, had been under contract to Mr. Douglass to pay him 2 cents apiece for each duplicate sound record made or sold by either of them. These two contracts (they are called letters by Mr. Douglass) are dated respectively March 16 and March 17, 1892. They were both written by Mr. Easton (probably in his capacity of counsel for the appellant) and were both signed on the same day by Mr. Douglass, on the one part; one of them signed by Mr. Easton, on the other part, and the other by the American Graphophone Company, by James G. Payne, president, and E. D. Easton, director of agencies. Copies of these two letters or agreements will be found at pages 92, 93 and 94, of the record.

The consideration given for these two contracts on the part of Douglass was his disclosure to Mr. Easton's two companies, or to Mr. Easton and the American Graphophone Company, of the secret method of making duplicate records, possessed by Douglass. And this it will be admitted, or at least it cannot be denied, is a good and valid consideration.

The consideration for the license to Douglass granted January, 1895, by the appellant, is the waiver by Douglass of this 2 cent royalty on each duplicate record, to the appellant and Mr. Easton's other company. That this waiver is a valuable consideration, is sufficiently apparent from the following:

"At this time, if these companies and Mr. Easton should pay me 2 cents for each duplicate sound record which they have made by means of the method I have disclosed to them, the amount would exceed at the lowest estimate a half-million dollars." (Affidavit of Douglass, Rec., 85.)



The following is Mr. Douglass' account of the license arrangement:

"He [Easton] stated that they thought of going more extensively into the business of making duplicate sound records, and asked me to waive the royalty of 2 cents per record, and stated that if I would waive this royalty to his companies they would give me a permanent permit or license without any conditions as to the purchase of master records from them to manufacture and sell as many duplicates as I saw fit. I thought this was a better arrangement in some respects than the one we were working under then, and therefore consented. Thereupon Mr. Easton wrote me a letter dated January 3, 1895, which he said would evidence the modification of the contract between his companies and myself, and that its effect was to give me the unrestricted right to make and sell duplicate sound records." (Affidavit of Douglass, Rec., 84.)

The letter referred to in the foregoing is found on page 95 of the record, and is on a letter-head of the Columbia Phonograph Company: "*Under authority of the North American Phonograph Company and the American Graphophone Company.*" It is signed by E. D. Easton. It states:

"You are hereby licensed under the patent already issued and are authorized to use the process covered by the pending application, in such way, personally, as you please, the consideration to me being a waiver of the royalty of 2 cents per cylinder, specified in your contract with me of March 16, 1892." (Rec., 95.)

Mr. Douglass states that it is the process of the "pending" application referred to in this letter which he is now using to make duplicate sound records, and which he has been using for that purpose. So that the license covers precisely what is here complained of, viz: the manufacture of duplicate sound records.



In convenience, I append hereto a copy of the letters of agreement dated March 16, and 17, 1892, and the one dated January 3, 1895; also a copy of my application for a patent, which is referred to in said letter as "pending." It is the machine described in this application which I am using and have used to make the duplicate sound records complained of in this suit." (Affidavit of Leon F. Douglass, Rec., 92.)

A copy of the pending application referred to will be found at page 98, *et seq.* And that it refers to the apparatus and method in question, will be briefly made apparent from the following quotation from the specification of said pending application:

"According to the present invention the reproducing and record styles are directly connected by mechanical means, being so mounted and supported that the letter follows or copies the movements of the former, and the invention consists broadly in the combination of the two styles with supporting devices and connections whereby the result above stated is accomplished." (Rec., 98.)

And that this is also the method and apparatus employed by the appellant and its other licensees is apparent from the following:

"Your duplicating process has been successfully applied to the graphophone, and this company has contracted with you for the right to its use hereafter on payment of a royalty." (Letter of American Graphophone Company by E. D. Easton to Mr. Douglass, Rec., 96.)

"All practical duplicating machines are constructed on the same general plan, and operate on the same principle. They comprise, etc." (Affidavit of E. D. Easton, Rec., 19, 20.)

It would seem, referring to the two agreements of March 16th, and 17th, 1892, that royalties were paid to



Mr. Douglass under both of these agreements, by both of Mr. Easton's companies, viz.: One thousand dollars was paid by the American Graphophone Company in the manner mentioned in the agreement of March 17th, by delivery to Mr. Douglass of certain slot machines. And under the other agreement, dated March 16, about \$16.00 in cash was paid by a check of the Columbia Phonograph Company to Mr. Douglass. (Rec., 82-83.) Since January, 1895, when the unrestricted license was given to Mr. Douglass, as above detailed, there has been no payment to him on royalty account:

"Since the modification in the contract, dated January 3, 1895, neither Mr. Easton nor the Columbia Phonograph Company, nor the American Graphophone Company, have ever paid me for or rendered me any account of the number of duplicate records made by either of them; nor have I demanded of them any accounting, nor asked for any payment on account of the two cents royalty for duplicate records." (Affidavit of Douglass, Rec., 85.)

The royalties, as we have seen, would now amount to over half a million dollars, and the business of manufacturing duplicate records has become a very important one to the appellant and its selling agent, the Columbia Phonograph Company, and incidentally to Mr. Easton, the leading spirit in these two companies.

In April, 1897, Mr. Easton, who had then become the president of the appellant, the American Graphophone Company, admitted, in the presence of others, the existence of the license from the appellant to Douglass:

"I was present with Leon F. Douglass and E. D. Easton in April, 1897, when the Chicago Talking Machine Company agreed to wind up its affairs, and I know of my own knowledge that at this time the American Graphophone Company, by E. D. Easton,



...test, admitted and acknowledged that Leon F. Douglass had a license from the American Graphophone Company to make and sell duplicate sound-records." (Affidavit of Charles Dickinson, Rec., 106-107.)

Mr. Dickinson is a gentleman of the highest standing, a member of the Albert Dickinson Seed Company, and a brother of Albert Dickinson. He is well known in Chicago to thousands of people, as a business man of the utmost probity and of high intelligence. It is not at all likely that he could be mistaken as to what he states so positively and unequivocally.

Moreover, Mr. Dickinson adds to this statement the following:

"And afterwards I was present and heard the American Graphophone Company, by Mr. E. D. Easton, its president, agree to buy of Leon F. Douglass five (5) duplicating machines which Mr. Douglass then had, and some of which he had been using for years in making duplicate records for sale under his license, as Mr. Easton at this time well knew. I know of my own knowledge that at the time Mr. Douglass agreed to sell these five duplicating machines for \$250.00 to The American Graphophone Company, he did not agree to sell or surrender his license to make and sell duplicate sound records. On the contrary, I remember distinctly that Mr. Easton presented to Mr. Leon F. Douglass a paper for Mr. Douglass to sign, stating or acknowledging that Mr. Douglass' license from the American Graphophone Company to make and sell duplicate sound records had expired. And I know that Mr. Douglass refused to sign this paper." (Affidavit of Charles Dickinson, Rec., 107.)

When the value of the business of making duplicate records had dawned upon Mr. Easton, nothing was more natural than that he should desire, if possible, to recall the



some manner the Douglass free license, and get him out of business. This explains why he employed Douglass first under the Columbia Phonograph Company and then under the American Graphophone Company for a period of about a year; and explains, also, why he should buy for the American Graphophone Company of Mr. Douglass five of his duplicating machines, so that Douglass might be induced, temporarily, to quit the business. And nothing was more natural than that Mr. Easton, at this time of the purchase of the machines and the employment of Douglass on a salary, should request Mr. Douglass to renounce the license and sign a paper admitting its expiration. Douglass, it should be remembered, was a sort of protege of Easton's, in whom a spirit of gratitude had been carefully inculcated. He was that sort of protege which a heifer calf is in the hands of a dairyman, cultivated in youth for the milk it is expected to yield. And Douglass had already yielded considerable milk. It was now hoped by Easton that he would give down again, out of gratitude. But Douglass refused to give up his license, and that was the end of it. The alleged talk over the telephone by Easton during this same month of April, 1897, and referred to in appellant's brief on page 10, is only a part of this scheme, which failed, as we have seen.

To this overwhelming array of facts and circumstances, proving a license from the appellant to Mr. Douglass to do the very thing which he is now sued for doing, what answer does the counsel for appellant make? The answer consists in a puerile assertion that the act of granting the license was not the act of the appellant, but the act of Mr. Easton individually!!! This is the defense of appellant to the license. This is what Mr. Easton says. This is what his counsel says, and practically all that is said.



At the hearing below it was also urged, if we remember right, that the license agreement of January 3, 1895 (Rec., 95), does not specifically name by date and number the letters patent in suit, but is merely a license to Mr. Douglass to use his own inventions, which he could not use at all, it is now contended, without infringing upon the appellant's patent in suit, and which the appellant owned at that time. But this is so absurdly inequitable and shallow that counsel seems to have abandoned it, and now rests upon the ground that Easton is one person and the appellant is another person, and that although Easton did give to Douglass what amounts to a license, such as Douglass claims, still that Easton had no authority from the appellant to do this, and consequently the license cannot avail Mr. Douglass anything, because it was not signed by the American Graphophone Company.

But the facts are not consistent with this shallow pretense and afterthought. If Douglass had no license from the American Graphophone Company, why should the President of the American Graphophone Company admit that Douglass had such a license from the American Graphophone Company as above shown?

If the license was not from the American Graphophone Company why should the president of that company seek to have Douglass sign a paper in 1897 stating that the license was expired?

If there was no license from the American Graphophone Company, why was not Mr. Douglass sued years ago for the alleged infringement? It will not do to say that the appellant was ignorant of his doing, for Mr. Easton's own affidavit contradicts any such proposition. Nor will it do to rely upon an innuendo and insinuation of counsel that



appellant was too busy fighting a test case on this patent to bother about infringers in general. Because the appellant's affidavit of Charles A. L. Massie (Rec., 21-23) shows that the appellant has been very diligent in bringing suit under its patents against a great many different infringers, all concerns not able to fight. And the affidavit of Howard W. Hayes, on the part of the appellee, shows that the test suit brought against the Edison Phonograph Works, which was able to fight, by appellant, was settled by the appellant giving the defendant in that case a license.

If the American Graphophone Company, appellant, has granted no license to Mr. Douglass, in consideration of Douglass waiving the two-cent per cylinder royalty, why has not the American Graphophone Company rendered an account of accrued royalties to Douglass? These royalties would now amount to something in excess of half a million dollars, deducting the one thousand dollars already paid on that account.

And if Douglass did not get a license from the American Graphophone Company, why has Douglass never demanded of that company an accounting of these royalties, which he testifies amounts to the large sum of over half a million dollars?

If the American Graphophone Company did not grant the license to Douglass, why did not the latter in April, 1897, sign the paper which he was requested to sign by the president of that company, at a time when Douglass was offered and accepted a large salary from that company, and at a time when Douglass sold all his machines to that Company? Surely, at such a time Douglass would not be disposed to quarrel with his employer, and would be disposed to grant any reasonable or indifferent request.



If the American Graphophone Company did not grant the license to Douglass, why should the attorney of that company go to Douglass at the time when Douglass was in the employ of that interest with an affidavit for Douglass to sign and swear to which contained a statement that the American Graphophone Company had granted no license to anybody under the patent in suit, and why should the attorney erase this statement from the affidavit when Mr. Douglass reminded him that he was licensed by the American Graphophone Company? And what was this curious statement doing in the affidavit, anyway, especially in view of Mr. Easton's affidavit, which states that a license had been granted to Bettini, and in view of the further fact that a license had been granted to the National Phonograph Company and the Edison Phonograph Works? This is a curious circumstance.

If the American Graphophone Company did not license Mr. Douglass, and intend that he should manufacture duplicate records, why is it that Mr. Easton, who is its president, Mr. Cromeline, who is a vice-president of that company, and Mr. Lyle, who is also a vice-president, and who have all been at Mr. Douglass' house, or at his place of business, and who have all known that he was engaged in the business of making duplicate records, did not make any protest to Douglass for doing this thing? And why, on the other hand, have they personally encouraged him to proceed in it, and seemed glad that he was making money out of it? (Rec., 85.)

The license letter of January 3, 1895, signed by Easton, refers in terms to the contract of March 16, 1892, signed by Easton and Douglass, and if one is the personal act of Easton the other must have been likewise. But if these two instruments are the personal act of Easton and not



the act of his companies, why did the Columbia Phonograph Company pay royalty to Douglass under the contract of March 16th?

"And within a month or two Mr. Easton's other company, known as the Columbia Phonograph Company, gave me a check for \$16.00 on account of royalty." (Rec., 82, 83.)

These, and many other circumstances, confront the appellant. They cannot be explained upon any other theory than that a license or permit was given to Mr. Douglass to make duplicate sound records on the apparatus described in his pending application for a patent, and in return for his waiver to the appellant of the 2 cents royalty which the appellant had agreed to pay.

Exactly what object Mr. Easton had in drawing the two contracts of March 16 and 17, 1892, and the license letter of January 3, 1895, in the form which they present, can be inferred, but that object is immaterial. It should be remembered that Mr. Easton is a lawyer. The wording of the contracts and letter written by himself evidences this, and, moreover, in the list of officers of the American Graphophone Company, given on page 122 of the record, he is named as "counsel." He was dealing with a boy twenty-three years old, ingenious, inventive, and determined, perhaps, but without any business experience, and fresh from Nebraska. He seemed to have no difficulty in getting Mr. Douglass' signature to any paper he wanted. He wrote the papers himself. The lawyer-like care with which a consideration is enumerated for each promise shows a well-defined plan of some sort in Mr. Easton's mind existing at the time. It may be that in taking in his own name the assignment of Douglass, inchoate right to procure patents, and granting back the



license to Douglass in like manner while he wrote the contract with the graphophone company, so as to bind that company to a continued payment of the royalties, he thought he could use this situation to his own advantage. It is very easy to see how that could be done. For the graphophone company is under obligations to pay to Douglass 2 cents per cylinder for every duplicate record it makes. Now, Mr. Easton could say to the American Graphophone Company, I have a release from Douglass so far as I am concerned, and I own his patents. Therefore, let me make the duplicate records, pay me *one* cent per cylinder, or give me some other compensation and you will have your duplicate records and save all the Douglass royalty, or part of it. It will not be necessary for you to make any records, and you can thus ignore Douglass. Or, possibly, on the other hand, in drawing the papers in this way Mr. Easton may have simply desired to mix the matter up a little with a view to get something from Douglass and give him nothing in return; in other words, it may have been a simple, cheap and nasty effort to defraud Douglass on account of his inexperience. Or, on the other hand, again, Mr. Easton may have had full authority from his companies to act as he did act, for both of them; he drew all the papers and conducted the negotiations. In that case, all the papers become parts of the same transaction, the paper of March 16, 1892, was possibly the first draft, followed immediately by the contract of March 17, 1892, which, in this supposition, was to avoid the necessity of a transfer by Easton to the American Graphophone Company. And, in such supposition, of course the whole thing being a single transaction, the license from Easton to Douglass becomes a license from the American Graphophone Company.



At any rate, and in any case, no matter what Easton's motive may have been, Douglass accepted the license in good faith as being from the American Graphophone Company and from proper authority, and he, and all the parties concerned, including the American Graphophone Company, have acted under it afterwards for years, and it is now too late to take a different view, and, certainly, too late to ask for a preliminary injunction against Douglass for such long continued acts under such a title.

It is ingeniously contended in appellant's brief, on pages 23, 24 and 25, and on page 8, that the concluding paragraph of the license letter of January 3, 1895, is proof that Douglass did not at this time waive the 2 cents royalty to the American Graphophone Company, and, in short, that said paragraph has direct relation to the contract of March 17, 1892. The paragraph referred to reads as follows:

"The above is not intended to, in any way, modify or affect any agreement you may have with the American Graphophone Company." (Rec., 95.)

Counsel says of this: "If Douglass were an imbecile he could not suppose, as he pretends, that this paper was a modification of his contract with the American Graphophone Company, when in terms it states that it is not intended to, in any way, modify or affect any agreement he may have with the American Graphophone Company." (Brief, 24.)

The answer to this ingenious proposition is simply that this paragraph refers to a contract of a different character, and not to the contract of March 17, 1892. And this is clear from Mr. Easton's own affidavit, in which Easton says:

"The last paragraph of Exhibit D indicates the existence of an agreement between Douglass and the



American Graphophone Company. I have not been able to find this paper, or any copy of it; but from recollection I can state that its general terms were the employment of Douglass by the American Graphophone Company for a limited time, and included the use of Douglass' then secret process for the benefit of the American Graphophone Company. I understand that the present claim of right made by Douglass is based upon the papers whereof copies are hereto annexed, to which the American Graphophone Company was not a party, and which did not relate in any way to the patents owned by said company." (Rec., 126.)

*The character of Mr. Easton:*

Counsel for appellant, in his brief, is shocked at the suggestions of the learned judge below regarding Mr. Easton and his possible motives. Counsel asserts that Mr. Easton is "a man of the highest and purest character," and appeals to appellees' own witnesses in this regard, as follows: "Notwithstanding the serious differences which now exist between the parties to this suit, and the bitterness naturally engendered thereby, there is not one word in the affidavit of Douglass reflecting upon the character or motives of the man who has been his consistent friend and benefactor."

The acts of Mr. Easton speak for themselves.

Mr. Easton is the president of the appellant corporation. He is responsible for the manner in which this litigation has been conducted. He caused four bills of complaint to be filed against Douglass. He, knowing all the time that Douglass was openly engaged, and had been for years in making duplicate sound records, caused such affidavits as that of Cartier, True, Gibson, Moore and Hills to be prepared, self-evidently designed to create the im-



pression in the mind of the court that Mr. Douglass was surreptitiously and secretly engaged with a number of other persons, in a back room, guarded by a chain, with no admittance on the door, and a skull and cross bones, in the dark, making "counterfeit" sound records; and representing that unless the strong hand of the court was put upon Mr. Douglass, without any notice to him, he, Douglass, and his co-conspirators, might dodge away and carry off his machinery and hide it, and continue his "counterfeiting." Mr. Easton is responsible for the application to the court by counsel, secretly and *ex parte* for the restraining order and the seizure of Douglass' machinery. And he is responsible for the abuse of this restraining order by a notification of Douglass' customers, and the customers of the other defendants whereby the business of the defendants was stopped entirely in respect not only to the manufacture and sale by Douglass, but also the business of the other defendants in handling talking machines bought of the appellant and its licensees. For this outrageous abuse of the process of the court, we are indebted to Mr. Easton.

It is Mr. Easton who is responsible for filing four bills of complaint against Douglass with a view to hamper him in his fight in the Patent Office for a patent on a valuable invention.

It was to Mr. Easton some time ago that Douglass had explained this invention of the Concert Grand. And it was Mr. Easton who induced his tool, Macdonald, to file an application in the patent office to anticipate Douglass to cause an interference there. And it is Mr. Easton who has caused this whole litigation ostensibly to enjoin Douglass from doing what they had permitted him to do for years, and really to crush him and defeat his claims as the inventor of the Concert Grand.



It is Mr. Easton who wrote the contracts of March, 1892, and the license of January, 1895, and who admitted in the presence of others that Douglass was licensed by the American Graphophone Company, and now seeks to deny it and to urge that Douglass was only licensed by himself, Easton, and got nothing by the license, while he, Easton, got everything Douglass had. This is the "benefactor" of Mr. Douglass, the "man of the highest and purest character."

We do not wonder that counsel should squirm under such a state of facts. And we only have to say that, if Mr. Easton is not responsible for all of these things, it would be graceful for the person or persons who is or are responsible, to step manfully forward and take his or their share of the burden.

#### IV.

NO REASON IS PRESENTED WHY A PRELIMINARY INJUNCTION SHOULD BE GRANTED IN THIS CAUSE, EVEN IF THERE WAS NO ACTUAL LICENSE AND NO IMPLIED LICENSE, BECAUSE THE ACT COMPLAINED OF IS NO INJURY TO THE APPELLANT AND ITS LICENSEES, STILL LESS AN IRREPARABLE INJURY.

It is a fundamental rule that the extraordinary relief of a preliminary injunction should not be granted unless the acts complained of are doing an irreparable injury to the complainant. This relief is intended to maintain the existing state of things pending the litigation and until a full hearing is had. Preliminary injunctions are not granted to sustain a mere technical right, or a legal right in cases of *damnum absque injuriam*. In an application for a preliminary injunction it is incumbent, therefore, upon



the complainant to show not merely that there has been a technical invasion of his rights, but also further to show that this invasion is causing and inferentially will continue to cause damages which the ordinary judgment of the court could not compensate.

In the present case there has been no attempt to show that the act complained of is doing any damage whatever of any kind to the appellant, or anybody else.

We have already seen that the act sought to be enjoined is the purchase by Mr. Douglass of blanks from this appellant, or its licensee, which are intended to be marked with sound record indentations, and the marking such indentations upon them. This cannot damage the appellant or its licensee, still less can it cause an irreparable damage.

That the act complained of, so far from being a damage, is actually a benefit and a profit to the appellant and its licensee, is conclusively shown by the action of the National Phonograph Company, already above pointed out. This company, it will be remembered by a contract of mutual license, a copy of which has already been referred to, and which is to be found at page 112-114 of the record, has exactly the same right under the patent in suit as the appellant. If the appellant is damaged in respect to these rights, it follows that the National Phonograph Company is in like manner, and to like extent, damaged. Yet we have already seen that the National Phonograph Company by its manager, Mr. Gilmore, has assured Mr. Douglass that that concern is willing he should use the blanks purchased of it in the manner he does use them, and is glad to have him so use them for making duplicate records. Under such circumstances how absurd it seems for the appellant to ask a preliminary injunction to restrain Mr. Douglass



from making duplicate sound records. Nor would the appellant ever have made such a motion, except for "business reasons" relating to the suppression of Douglass in his efforts to obtain a patent on the Concert Grand machine.

### V.

IT DOES NOT APPEAR THAT THE OTHER DEFENDANTS BESIDES LEON F. DOUGLASS, HAVE PARTICIPATED IN THE ACT COMPLAINED OF—THE MAKING OF DUPLICATE SOUND-RECORDS—EXCEPTING SILAS F. LEACHMAN, WHO IS A MERE SERVANT OR EMPLOYE OF DOUGLASS, AND HENCE THE OTHER DEFENDANTS SHOULD NOT HAVE BEEN JOINED WITH DOUGLASS.

The other defendants, the Talking Machine Company and the Polyphone Company, have had their business very seriously injured by the advertisement and sending of circulars by the appellant after the granting of the temporary restraining order, and before the motion for preliminary injunction was heard. And we have no doubt that they were purposely joined with Mr. Douglass as co-defendants, to bring about precisely this injurious result.

The proof adduced by way of affidavits, even on behalf of the complainant-appellant, did not show, or indicate any joint infringement committed by Mr. Douglass and these other defendants. Taking the fact as it is, and the statements at their worst, the most that can be said of either one of these two companies is that they bought some of the duplicate sound-records which Douglass had made, and sold these sound-records again to their custom-



ers. And even so much was proved, and is the fact, with reference to only one of these two companies, viz.: of the Talking Machine Company. As to Silas F. Leachman, he is a mere employe of Mr. Douglass. And as to Henry B. Babson, he is only an officer of one of the corporations defendant.

Now, if it be admitted, for the purpose of argument, that Douglass, by making and selling duplicate sound-records to the Talking Machine Company, did an act of infringement, still it does not follow that the sale by the Talking Machine Company is the *same* act of infringement. On the contrary, it is quite evident that such a sale by the Talking Machine Company is a new and different act of infringement. Hence it follows that in no case could Douglass and the Talking Machine Company be joint infringers, or properly co-defendants in the same suit. If the appellant desired to sue the Talking Machine Company or the Polyphone Company, it should have filed separate bills against them, as even upon their own showing these improperly made co-defendants are not joint infringers, and unless joint infringers they could not be sued together.



## VI.

THE INEQUITABLE CONDUCT OF APPELLANT IN BRINGING A MULTITUDE OF SUITS AGAINST DOUGLASS, JOINING A NUMBER OF PEOPLE WITH HIM AS CO-DEFENDANTS, PROCURING EX PARTE RESTRAINING ORDERS AGAINST HIM AND THEM, AND ADVERTISING THIS FACT TO THE PUBLIC BEFORE ANY HEARING WAS HAD, IS A GROSS ABUSE OF THE PROCESS OF THE COURT, AND OF SUCH NATURE THAT THE APPELLANT IS ENTITLED TO NO CONSIDERATION WHATEVER UPON SUCH A MOTION AS THIS.

When the American Graphophone Company of West Virginia and Washington, D. C., came humbly into this court, on the equity side thereof, and prayed for a subpoena and that it might have equity, said company by that very act, and as a condition precedent, promised to do the right thing by the defendants and by the court.

Let us see what it has done.

After Mr. Douglass had explained to Mr. Easton, the president of appellant, a very valuable and revolutionary invention relating to talking machines called the Concert Grand, and which is so desirable an improvement that the makers are far behind their orders for it, though it sells for several times the price of an ordinary phonograph and costs but little more to make, said Easton procured a tool of his named Macdonald, to file in the Patent Office an application for a patent on this invention. Then he endeavors to get Douglass to disclose the date when he made the invention, which could have no other purpose except to provide for the interference contest in the Patent Office between Douglass' application and that of said



Macdonald, the issue to be tried in which interference being which one of these two was the first inventor. Up to this time the relations between Mr. Douglass and Mr. Easton had been perfectly friendly. Mr. Easton and the other officers of the American Graphophone Company knew perfectly well that Douglass was engaged in the business of making duplicate sound records; they had been in his place of business and had seen him making them, and they knew that he had been doing this for years. And they had encouraged him in it and had seemed glad that he was making money. But Mr. Douglass refused to state his dates of invention and reduction to practice of this valuable invention of the Concert Grand. Immediately all is changed, there are no longer friendly relations. The greedy corporation must and will have this invention. Mr. Easton well knew that the Polyphone Company was not infringing upon any of appellants' patents; that the Talking Machine Company was not infringing; that Leachman was not infringing; that Seeter and Ott had no business relations with these defendants, nor with Douglass; and that Douglass claimed to have a license from the American Graphophone Company to make duplicate sound records. In spite of all this Easton was bold enough to swear to two bills of complaint, charging infringement broadly by all of these defendants of the letters patent in suit. And although it appears from his own affidavit as well as everything else in the case, that Easton himself knew precisely what Douglass was doing, and himself could have made affidavit thereto, he procures a lot of detectives, who shadow the defendant, and who make long detailed affidavits seeking to make it appear that the defendants were engaged in a secret conspiracy to infringe upon appellant's patents. And to give



further color to this Mr. Easton (page 128) pretends that he employed these detectives on the "no cure no pay" plan; that they went into it as a speculation. With these two bills of complaint and these detective affidavits Mr. Easton, by his counsel, went before the judge *ex parte* and without any notice to the defendants, and by representations which can be imagined, procured a temporary restraining order against all of the defendants in both suits, and also an order for the marshal to seize their property, so that the defendants might not spirit it away. This order of course only held good until a motion for a preliminary injunction might be heard. Mr. Easton, being a lawyer himself, well understood this, and also that it was incumbent upon his company and himself to do nothing which would injure the defendants until they could be heard by the court. But without waiting for this Mr. Easton, to crush Douglass, begins at once to write letters to the trade and send circulars, concerning this restraining order. Mr. Charles Dickinson testifies concerning the business of the defendant:

"That this business is being very greatly interfered with and will soon be ruined by the restraining order heretofore issued in this case if the same is not vacated; that already the complainants have written to our customers and have frightened them so that they are canceling orders for our goods."

(Rec., 59-60.)

On a motion to vacate this restraining order, some of these circulars were shown to the court. They did not get into the record in *this particular cause*, but their authenticity will not be denied and cannot be. And we quote from them:

"Notice is hereby given that on May 24, 1899, in the United States Circuit Court for the Northern



District of Illinois, a restraining order was issued against Leon F. Douglass, The Polyphone Company, The Talking Machine Company, Henry B. Babson and others, prohibiting them from infringing our patents by duplicating and by the manufacture of counterfeit phonographs and graphophones.

The above order was granted on evidence shown that the parties named were not only manufacturing inferior duplicate records and selling them as genuine Columbias, but that they were exclusively manufacturing and marketing counterfeit phonographs and graphophones.

We take this means of notifying all dealers selling infringing material, and others handling same that they are liable to us in damages, and that we propose to vigorously protect our patent rights.

(Signed.) COLUMBIA PHONOGRAPH Co.,  
(Gen'l.)

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*"To Our Dealers:* We notified you Saturday of a restraining order issued May 24, 1899, in the United States Circuit Court for the Northern District of Illinois, against Leon F. Douglass, the Polyphone Company, The Talking Machine Company, Henry B. Babson and others, prohibiting them from infringing our patents by duplicating and by the manufacture of counterfeit phonographs and graphophones.

It is extremely important that these parties and their connections, should be shut off entirely from opportunity to purchase our goods at a discount. We will not sell them directly under any consideration, and ask you to kindly scrutinize carefully all orders received with a view to preventing their supply from any source.

For the interest of all legitimate dealers, and our own protection, you are instructed *not to sell either directly or indirectly* to any of the above named.

Hoping that we will have your cordial co-operation in this matter, we are,

Yours very truly,  
(Signed) COLUMBIA PHONOGRAPH Co.  
(Gen'l.)"

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*"To Dealers.*

DEAR SIR: We are glad to inform you that the United States Circuit Court for the Northern District of Illinois has issued a restraining order against Leon F. Douglass, the Polyphone Company, The Talking Machine Company, Henry B. Babson, and others, prohibiting them from infringing our patent by duplicating, and by the manufacture of counterfeit phonographs and graphophones. All parties who handle any of the infringing material are liable to us in damages.

We would thank you for any information you may be able to give us to dealers who purchase goods from the Polyphone Company.

Yours very truly,

(Signed) COLUMBIA PHONOGRAPH COMPANY."

*"To Dealers.*

GENTLEMEN: L. F. Douglass, Henry B. Babson, The Talking Machine Company, and the Polyphone Company, of Chicago, and their connections, should be shut off entirely from opportunity to purchase our goods at a discount.

Will you please scrutinize carefully all your orders to this end, and not sell *directly* or *indirectly* to any of the above named, and oblige

Yours very truly,

(Signed.) COLUMBIA PHONOGRAPH Co.,  
(General.)"

*"Mr. Dunk,*

*Care Montgomery Ward & Co., City.*

DEAR SIR: It is important that Mr. L. F. Douglass, Henry B. Babson, The Talking Machine Co. and the Polyphone Co. of Chicago, together with any of their connections, should be shut off entirely from opportunity to purchase our goods at a discount.

Will you please scrutinize carefully all your orders to this end, being very particular not to sell either directly or indirectly, to any of the above named.

This course is required in view of the late develop-



ments in connection with the style of business they are carrying on, and we request that you be prompt and watchful in this matter, and by so doing you will oblige.

Yours very truly,

(Signed.) COLUMBIA PHONOGRAPH Co.,  
(Gen'l.)"

In addition to this abuse of the process of the court with a view to crush Mr. Douglass and hamper him financially, so that he should not be able to defend his rights in the Patent Office, the appellant filed two additional bills against him personally, one for an infringement of the Bettini patent and the other bill for specific performance of an alleged contract to assign to the complainant this very Concert Grand invention, which is the real end and aim of this entire litigation. It is needless to say that neither of the bills have any foundation in equity or right, as will appear in due course and proper place.

In view of such conduct as this and such an abuse of the process of the court, we submit that the appellant has no standing to ask the extraordinary relief of a preliminary injunction, which has evidently been sought not to prevent irreparable injury, but simply for the purpose of harassing, embarrassing and crushing the defendant.



## VII.

NO SHOWING HAS BEEN MADE THAT THE PATENT IN SUIT HAS BEEN SO SUSTAINED THAT THIS COURT SHOULD GRANT A PRELIMINARY INJUNCTION.

This court is called upon to construe the complainant's patent and decide whether the duplicate sound records made by the defendant Douglas on licensed blanks infringe the claims of the patent sued upon. The general rule has been that after a patent has been construed and its validity determined, after a full hearing on the merits, a Circuit Court of another circuit will grant a preliminary injunction against other infringers, considering itself constrained to adopt the rulings of the other circuit. That rule does not, however, obtain in regard to the Circuit Court of Appeals. The complainant's counsel urges in his behalf that this court should put itself in the place of the Circuit Court and grant a preliminary injunction if an adjudication in regard to the patent is shown which the Circuit Court would have felt itself bound by. On page 38 of his brief, complainant's counsel assumes that this court is bound by the decision of the very court from which this appeal is taken. The law, however, is well established to the contrary. On an application for a preliminary injunction, this court must not only require that the complainant show adjudications on final hearing establishing the validity of the patent and construing the claims to cover the alleged infringing devices, but it also must be satisfied of the correctness of those adjudications. Those are the two necessary pre-requisites for a preliminary injunction. If there is any doubt as to the exist-



ence of either of them, this court should refuse the motion.

This rule of law has been repeatedly held in the Circuit Courts of Appeal, and has been affirmed by the United States Supreme Court.

*American Paper Pail Co. v. National Folding Box Co.*, 2 C. C. C., 167; 51 Fed., 229.

*Curtis v. Overmann Wheel Co.*, 7 C. C. A., 493; 58 Fed., 784.

*Thomson-Houston Co. v. Hoosick Ry. Co.*, 27 C. C. A., 419; 82 Fed., 461.

*Stover Mfg. Co. v. Mast*, 89 Fed., 333.

*Smith v. Vulcan Iron Works*, 165 U. S., 518.

In the case of the *American Paper Pail Co. v. The National Folding Box Co.*, the opinion of the court is as follows:

"The appeal calls upon this court to state its position as an appellate court in regard to motions of this character, and particularly with respect to the weight which is to be given to the previous adjudication, which is generally the foundation of a preliminary injunction. The Appellate Court is to examine the interlocutory decision of the Circuit Court in the light of the affidavits and of the history of the patent and the adjudications thereon which were represented to that court. The adjudication upon which the motion for preliminary injunction was based not being the subject of the appeal, it is to have the same weight which it should have before the Circuit Court; but while the Circuit Court, upon a motion for an injunction, might deem itself constrained, contrary to its own judgment, to adopt the rulings of another circuit court upon questions of law made at final hearing, this court is at liberty to re-examine such rulings, dispose of the questions of law conformably to its own convictions, and accord to the former adjudications such weight as, in its own judgment, it was entitled to upon the motion."



In the Thomson-Houston case, the Court of Appeals referred to the above quoted opinion, and reversed an order granting a preliminary injunction, on the ground that the patent was invalid, such invalidity appearing on the face of the papers which were before the court. This decision was rendered notwithstanding the fact that the patent had theretofore been declared valid in the Circuit Court against a similar defense.

In the case of the *Stover Mfg. Co. v. Mast*, there is a very lucid explanation of this rule of law, and we cannot do better than to quote from that opinion:

"The decision touching the practice on appeals from interlocutory orders, under the judiciary act of 1891, have not been in entire harmony; but in the recent case of *Smith v. Vulcan Iron Works*, 165 U. S., 518, 17 Sup. Ct., 407, where the decisions touching the subject are collected, the Supreme Court has defined clearly the scope of the review which the act was intended to authorize. After declaring that the appeal, which by section 7 of the act may be taken from an 'interlocutory order or decree granting or continuing such injunction,' is an appeal 'from the whole of such interlocutory order or decree, and not from that part of it only which grants or continues an injunction,' the Court proceeds to say that the manifest intention of the provision was 'not only to permit the defendant to obtain immediate relief from an injunction, the continuance of which throughout the progress of the cause might seriously affect his interest, but also to save both parties from the expense of further litigation, should the Appellate Court be of opinion that the plaintiff was not entitled to an injunction, because his bill had no equity to support it.' The comprehensive terms of this expression forbid the suggestion that it does not apply when the appeal is from an order made upon affidavits, and not from a decree ordering both an injunction and an accounting, entered as the result of a hearing upon full proofs. If there is ground for a



*distinction in that respect, it is in favor of the appeal from a preliminary order made upon ex parte and imperfect showings at the commencement of litigation, rather than an appeal from an injunction perpetual in terms granted after a full hearing, which is called interlocutory only because there remains to be taken an accounting, upon which the evidence adduced cannot ordinarily affect the injunction. This being the scope of the appeal, the logical inference would seem to be that every application to a circuit court for an injunction or temporary restraining order should be considered on its merits, and that a ruling or opinion of another court upon any question involved should be given only just and reasonable weight according to the circumstances. The statute gives the right of appeal; the Supreme Court has determined that the review, so far as may be, shall extend to the merits; and it is not consistent to say that the decision of an inferior court must be pronounced on one basis and reviewed on another."*

In this case the Court of Appeals for the Seventh Circuit, on a motion for a preliminary injunction, declared invalid a claim of a patent which the Court of Appeals for the Eighth Circuit had held valid on final hearing.

These decisions, supporting and extending, as they do, the uniform practice of this court in cases of this kind, are conclusive to the effect that this court may fully and freely investigate all the questions necessary properly to determine the points in issue so far as they may be determined from the papers that are before the court. This court, therefore, must decide the matter according to its own judgment, and must not be bound by prior decisions, except so far as they commend themselves to the judgment of this court; and especially this court must not confine its deliberations to determining whether the discretion of the court below has been properly exercised, but it is its duty to administer such full relief as equity demands.



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We will now show this court clearly that the plaintiff fails in both of the requisites necessary for it to obtain a preliminary injunction against the defendants.

*There has never been an adjudication on the points now raised in regard to whether the patent in question covers duplicates. If any adjudication already made can be so twisted as to appear to cover those points, we will show that such adjudication was wrong in law.*

In this case we do not now dispute the validity of so much of the patent as covers a record cut on a waxlike tablet by the direct action of sound waves on the diaphragm which vibrates cutting style. That question is now in litigation in a case brought by this complainant in the New Jersey Circuit, and in the limited time allowed the defendants in this case to prepare their affidavits for the court below it was impossible to present that issue satisfactorily. What we do claim, however, is that Bell & Tainter's patent No. 341214 does not cover duplicate sound records, and that if it does cover duplicates the sale by the complainant's licensee of blank tablets without restriction as to their use entitles the purchaser to put sound records on them in any manner which does not infringe other claims of the complainant's patent.

The adjudications already made on the patent in suit are as follows:

In this Circuit Judge GROSSCUP, in the *Amet* case, 74 Fed., 789, decided that claims 19, 22, 23 and 24, for the combination of a reproducer with the cut wax record described in the patent, were valid, *it being admitted by the defendants that the cut wax record was novel and was invented by the patentees.*

In the *Loring Leed's* case, 87 Fed., 873, the novelty of



the cut wax record of the patent was sustained after a contest, and the same claims were sustained that were considered in the *Amet* case. In neither of these cases was there a suggestion that a cut sound record might be made by means other than those designated in the patent.

The case against Walcutt, 87 Fed., 556, has more of a bearing on this case, and it is upon that decision that the complainant based its application to the court below for a preliminary injunction. In that case it appeared that Walcutt made duplicate sound records by the use of licensed phonographs to which additional mechanical attachments had been added. The decision of Judge WHEELER was that the sale of a phonograph did not authorize it to be used in a way foreign to its normal intended use, and that such foreign use would be restrained, *provided*, that such use was an infringement of the complainant's patent. *In that case it was admitted by the defendants that such use was in itself an infringement of the patent.* That proposition we now deny. As it was admitted before Judge WHEELER, he did not pass upon it at all, and so the question here is *res integra*. The affidavit of Howard W. Hayes (Rec., pp. 115, 116) makes this clear. His explanation of that case and the points involved therein are in dispute. He says (p. 115): "The only defense interposed in the case was that the copies of the sound records made by the defendants were made by them by means of phonographs purchased from licensees of the complainants to which the defendants had added additional mechanical attachment."

The counsel for the defendants in that case, Mr. West, has deposed to the same effect. He says (p. 115): "The only question raised in the testimony or the briefs in the case was as to whether the use of phonographs to make a



copy of a sound record was outside of the normal use of the phonograph so that such use was not covered by the license implied by the sale of the instruments." And on p. 116: "It was also taken for granted that patents Nos. 314,214 and 314,288 covered cylinders capable of producing sound, whether made in the manner described in the patent or otherwise.

Judge WHEELER's opinion on the final hearing in this case is not printed in the Federal Reporter, but in subsequently instituted contempt proceedings he explained his former opinion. This opinion is printed in 86 Fed., 468. In it he says:

"The claims of this patent that have been sustained cover sound records as manufactured. The defendants have phonographs acquired from the American Phonograph Company, which that company had a right, acquired from owners of this patent, to use for making such sound records, and this right came with the phonographs to the defendants. \* \* \* There does not appear to be any difference between the originals and duplicates when made. The former are understood to be made by the operation of sound waves of speech or music in the air upon the phonographs, which are made thereby to record them. The latter are understood to be copied by machines from the former, and not to be made by sound waves in the air. The latter cannot be made by using the phonographs which the defendants have a right to use alone. Other means are, and necessarily must be, employed in making them. The defendants are strictly limited to what their phonographs, so procured, are actually made to do; the use of those existing things only being what is free from the monopoly of the patent to the defendants. The right to make sound records by the use of certain phonographs does not include a right to make like sound records by other means, or by the use of the phonographs and other means, necessary to accomplish the making of them."



It is evident that Judge WHEELER had in mind only the question as to what rights the purchase of a phonograph gave the vendee, and that the questions as to whether the patent covered records made otherwise than as indicated in the patent, and whether the unrestricted sale of *blank tablets* carried with it a license to put records on them, were not considered by him.

The only other case relied upon by the complainants is *American Graphophone Company v. Jones and the Western Phonograph Co.* That was an application in this circuit for a preliminary injunction to restrain the making of duplicate sound records. It was based on the patent in suit. Judge GROSSCUP granted the application on the authority of Judge WHEELER's opinion in the Walcutt case. We quote from his decision:

"I concur, both through comity and upon reason, with the conclusion of Judge Wheeler in the contempt proceedings of *American Graphophone Co. v. Walcutt et al.* The sound-records in that case were, in effect, counterfeited by means of intervening mechanism from the original records. The license implied in a sale can, by no implication, be made to include a license to counterfeit what otherwise would not be permissible."

It seems, therefore, that the only question decided in that case was that the purchase of a sound record from the complainant did not of itself license the purchaser to make and sell copies (called by Judge Grosscup "counterfeits") of that record, *it being admitted* that the making of such copies was in itself an infringement of the complainant's patent. No question was raised as to whether the patent covered duplicates, nor as to whether the purchase of unrestricted licensed blanks gave the right to the purchaser to put copies of records on them. The ques-



tion considered, which was quite similar to the one before Judge Wheeler, was merely as to the rights acquired by the purchase of licensed sound records. Notwithstanding the statement on page 38 of complainant's brief, to the contrary, it did not appear in that case that the duplicates complained of were made on blanks purchased from the complainant.

We have no fault to find with either of these decisions, so long as they are limited to the questions actually presented to and decided by the court. But we insist most strenuously that neither decision covers the issues raised in this case.

The only other decision that the complainants refer to is that of Judge Dallas, in the Eastern District of Pennsylvania. That suit also was brought to restrain the making of duplicates, and in that case, as in the others referred to, the defendants admitted that eighteen duplicates on licensed blanks infringed the complainant's patent. In that case Judge DALLAS says:

"The validity of the patent, and that the unlicensed making of such sound records would violate it, being conceded, there is no room for question that this sale of this machine constituted an infringement."

The foregoing analysis of the decisions heretofore rendered proves clearly the first proposition which we presented, viz.: that there has been no sufficient adjudication on which the court below could rightfully grant the complainant's motion for a preliminary injunction.

*Now as to the merits of the complainant's claim that making duplicate sound records on licensed blanks infringes their patent.*

In order to make this question entirely clear to the



court, it will be necessary to refer to patents other than the one sued on. Bell & Tainter, under whom the complainant claims, took out at the same time three patents related to talking machine: No. 341,214 (the patent in suit), No. 341,287 and 341,288. These two latter patents are referred to in the affidavits in this case. We therefore, in order to make the matter as clear as possible for the court, hand up copies of them with this brief. In this branch of the argument we wish to present and maintain two propositions:

1. The claims of patent No. 341,214 do not cover a sound record made in any way other than by means of a cutting style vibrated by the direct impact of sound waves.
2. The unrestricted sale of the tablets described in patents Nos. 341,214 and 341,288 carries with it a license to the purchaser to put a record on that tablet in any way that does not infringe the other claims of those patents.

#### I.

To understand the patent suit, No. 341,214, we must always bear in mind the scope of the three patents. No. 341,214 covers the principle of cutting in wax, the necessary mechanism, and the product of the machine. No. 341,288 covers the wax tablet and certain improvements in the cutting mechanism. No. 341,287 covers the method of duplicating by mechanical transfer. The word "mechanical" is used in this case and generally in the art, as distinguished from "acoustical," to mean a record made by a copying lathe as distinguished from one made by vibrating a style by the direct action of sound waves.



(9)

The claims of patent 341,214, which the defendant Douglas is said to infringe, are Nos. 7, 8, 10, 17 and 18. Of these 7 is the broadest, and it will be sufficient, as the complainant has done (complainant's brief, page 2), to consider that claim alone, as, if complainant cannot succeed on that claim, it certainly cannot on the others. We do not, however, agree to the absolutely gratuitous assertion in the complainant's brief that "there is no dispute that the sound records made by defendant Douglas embody the invention of the claims." Not only is there a "dispute" as to that, but it is one of the vital points of the case. This attempt on the part of the complainant's counsel to ignore the main question of the case when it happens to be a troublesome one is quite characteristic of the complainant's learned and astute counsel.

That claim, No. 7 (upon which the complainant must stand or fall), is hereinbefore quoted, but we quote it again for convenience, as follows:

"7. A sound record consisting of a tablet or other solid body having its surface cut or engraved with narrow lines of irregular or varied form corresponding to sound waves, substantially as described."

This claim is for a cut sound record made substantially as described in the specifications of the patent. The phrase "substantially as described" has a very pertinent bearing on this case. Its unquestioned effect is to limit the claim to the mechanism described in the specifications.

*Campbell Printing Press v. Duplex Printing Press*, 86 Fed., 315, 334.

*Brown v. Davis*, 116 U. S., 251.

*Sargent v. Burgess*, 129 U. S., 19, 26.

*Pope Mfg. Co. v. Gormully*, 144 U. S., 248, 252.



In the first above quoted case, the opinion expresses very clearly and concisely the general rule. It says, page 334:

"Both claims 5 and 10 are also carefully limited by the use in each of the phrases 'substantially as described' and 'substantially as and for the purpose set forth.' This restricted him to the mechanism described and marked by reference letters and shown in the drawings."

Now bearing in mind the limitations thus imposed by the inventors themselves on the claim in the patent, let us consider the specifications of the patent and construe the claim as the inventors themselves have construed it.

The question is, What is the character of the sound record which the patentees have invented and "substantially described" in their patent? Quotations from the specifications of the patent sufficiently answer this question, and show conclusively that the patent was intended to cover only sound records made by a cutting style vibrated by the direct action of sound waves.

We quote from the patent, page 1, line 15:

"The invention consists, first, in the formation of the record or 'phonogram,' as it has been called, by means of a cutting-style which is vibrated by the sound-waves or sonorous vibrations to be recorded."

Page 2, line 55:

"The invention consists, tenthly, in combining with a sound-recorder or recording-instrument of any suitable description, and specially with one having a cutting-style, a tube or hollow standard on which the recorder is mounted, and through which the sound-waves are conveyed to the same."

Page 2, line 73:

"The invention consists, eleventhly, in combining with the recorder a mouth-piece so shaped as to include the nose of the user."



Page 2, line 131:

"Figure 1 is a plan view of an apparatus constructed in accordance with the invention, arranged for recording."

It is unnecessary to quote further. An examination of the drawings and specification by which claim 7 is limited shows clearly that the claim covers, and is intended to cover, only a sound record made by the direct action of the sound waves on a diaphragm which actuates a cutting style.

The accurate use of the English language by the patentees must be commended. All through the patent the cutting style that makes the record is referred to as a "vibratory" style. The word "vibratory" describes accurately the style of the patent, while the cutting style of the defendant's duplicating machine is an "oscillating" style. The distinction between the two words, which is a distinction in substance as well as in sound, is well shown in the Century Dictionary. Under the head of "vibration" it says:

"When the reciprocating movement is comparatively slow, as that of a pendulum, which is produced by the action of gravity on the whole mass of the body, the term *oscillating* is commonly used; while the term *vibrating* is generally confined to a motion with rapid reciprocations or revolutions, as that of a sonorous body which proceeds from the attractions (with perhaps some repulsions) of the molecules of the body on each other when a disturbance takes place in their state of equilibrium."

It is therefore evident that the cutting style of the patent "vibrates" in the sense that that word is used in the patent, while the cutting style of the Douglas duplicating machine does not vibrate, but oscillates. This is not a



play upon words, nor an attempt unfairly to minimize the patent. The language of the patent evidently was carefully considered and chosen by the patentees' solicitors, admittedly the most expert in this country, and the fact that they used the word "vibratory" to describe the cutting style shows conclusively that "oscillatory" was not intended.

This patent did not intend to cover the mechanical copying by sound record. That is sought to be covered by patent 341,287, of the same date. This patent 341,287 covers in its claims the machine used by the defendant, and if the defendant is an infringer at all, he is an infringer of that patent and not of the one in suit. We do not, however, admit the validity of that patent. If any suit on it shall be brought against the defendant Douglas and questions concerning it raised in that suit, we shall answer them there. The complainant must find relief, if it is entitled to any, under that patent, and not under the patent in suit.

There is another very strong reason why the above indicated construction should be given to the patent in suit. In construing a patent, the question as to what a patent is should be kept in mind. A patent is a contract between the government and the inventor, and is subject to the same rules of construction as any other contract. It is a grant to the inventor of certain rights, and the consideration of the grant is the work done by the inventor in making the invention. The claims of the patent are really grants. It is as if the patent started out with a recital of the specifications, and was followed by apt words of grant: "Now, therefore, in consideration thereof, the United States grant, etc.," and then should follow the substance of the claims. The special rule, for con-



point to which we wish to call attention in this case, is the one that provides that a grant shall be so construed as to make all the parts consistent and make it all valid. By the rules of the Patent Office the same patent may not include distinct and unconnected inventions, and the fullest extent to which any inventor may go is to include in one patent a machine and a product in those cases in which the product is the necessary result of the operation of the machine, and *the product cannot be produced except by the operation of the machine*. The following decisions substantiate this proposition:

*Ex parte Wintherlich*, 16 O. G., 404, 808.

The rule there laid down is that a machine and its product can be joined only when they are so related that the former cannot operate without producing the latter, and the latter can only be produced by the former. The same rule is laid down in *ex parte Cable*, 16 O. G., 175, and these decisions were followed in *ex parte Bancroft*, 20 O. G., Sec. 893.

It may be suggested by the complainant's counsel, for we wish to present this side fully and fairly, that the rulings of the Patent Office are for its own guidance, and are largely discretionary, and that if the commissioner allows a patent the courts are apt to sustain him even though it seems to appear that his action is inconsistent with the established rules of the office.

That contention would have weight, but is not applicable here.

What we urge is that if the claims of a patent are susceptible of two constructions, one of which would make its allowance consistent with the established rules of the department, and the other a flagrant violation of them,



the court would give the claim the former construction. It is the same as the question of the construction of a contract, and the effort a court always makes to ascertain the intention of the parties. In the case of the grantor, the government, it must be presumed that its representative, the commissioner, did not intend to depart from the spirit of the law and the long established policy of the department.

In this patent there are claims for the machine and for its product, the sound-record. That sound-record is the necessary result of the operation of the machine, and cannot be made in any other way. If the claim for the sound-record is limited to the one produced by the machine the claims for the machine and its product come within the rules of the department, and the patent in that respect is seen to be no longer objectionable. But if it is sought to extend the claims for a sound-record to a tablet having on it indentations capable of producing sound, but which were made by means other than by the machine described in the patent, the patent is in violation of the above-mentioned rule, and should not have been granted.

Between these two constructions of the claims, one of which destroys the government's grant and the other upholds it, this court cannot hesitate. To the defendant it is really a matter of indifference, as, if the claim included only actual sound-records, the defendant has not infringed the patent, and if the claim includes the so-called duplicates the patent is void and the defendant goes free.

*This construction of the patent is not disputed by the complainant.*

It was suggested for the first time in the case in the District of New Jersey, and the complainant then prompt-



ly withdrew their motion for a preliminary injunction in that case. That was over a year ago, and that case has not yet been brought to a hearing. In this case this point was suggested in the defendant's affidavit and urged before the court below. Yet in the complainant's brief filed in this court not a word is said in regard to it. It is hard to see how this court can grant a preliminary injunction against the defendant when his acts have never been decided by any court to be an infringement of the complainant's patent, and the complainants themselves do not claim that their patent covers the defendant's devices.

## II.

If patent 341,214 covers duplicate sound records made with an oscillatory cutting-style without the direct agency of sound waves, still the unrestricted sale of tablets by the complainant or its licensee entitles the defendant to engrave sound records on such tablets by any mechanism that does not infringe the patent in suit. It appears by the affidavits in the case that the complainant gave to the National Phonograph Company a general license under the patent in suit and under another patent of complainant of the same date, No. 341,288, and that the defendant bought the blank tablets upon which the duplicates complained of were made from that licensee. Those patents describe the licensed patented article in these terms:

### PATENT 341,214.

"Claim 13. A tablet or body for recording sound vibrations consisting of a paper or paste-board foundation and a surface coating of beeswax and paraffine compound, substantially as described."



## PATENT 341,288.

"Claim 1. A recording tablet for a phonograph, consisting of a hollow cylinder provided with a wax or wax-like coating for receiving the sound record, substantially as described.

"Claim 2. A recording tablet consisting of a hollow cylinder of paper provided with a wax or wax-like coating, substantially as described.

"Claim 3. A recording tablet consisting of a hollow paper cylinder coated with a composition of beeswax and paraffine, substantially as described.

"Claim 4. A tubular cell sustaining tablet for recording sound or sonorous vibrations, substantially as described."

The complainant has received its royalty, the patented article has come out from under the monopoly of patent. How then can the complainant complain if the blank is used for recording sound or sonorous vibrations, so long as no other claims of the patent in suit are infringed? If the complainants claim that the duplicate sound record in question infringes the claims of patent 341,287, we reply that that question is not before the court in this suit.

The effect of the unrestricted sale to the defendant of blank tablets by the complainants' licensee, the National Phonograph Company, is of more importance than the scant allusion to this point in the complainants' brief would seem to indicate. We cannot understand the cursory allusion to this important proposition in the complainants' brief, except on the assumption that the complainants' counsel realized that a full discussion of it would necessarily be fatal to his case, and therefore seeks to withdraw it from the attention of the court.

The rule is well established that if a patentee or his



general licensee sells a patented article the purchaser takes a full title to it, and can use it for any purpose or in any way indicated in any part of the patent.

The tendency of the latest decisions of the federal courts in patent cases has been to give the patentee an unlimited power in regard to the restrictions he can by contract put upon the patented article he sells. The common-law rules as to the incidents which can be impressed upon chattels by contract have been entirely ignored, and the courts seem to hold that, as the patentee has an absolute monopoly, he may part with just so much of it in any one case as he pleases. The only question is as to whether a subsequent purchaser has notice of the restrictions or conditions imposed on the title. One of the first of those cases was the well known cotton-tie case, in which a buckle on a band to put around cotton bales was sold to be used but once, and a notice to that effect stamped on it. It was held that a subsequent purchaser was bound by the limitations imposed upon the original sale. The latest and most extreme case is one where a patented machine for making shoes was sold with the restriction that it should not be used except with rivets manufactured by the patentee. This rivet was not patented, but the profit in the business was in making the rivets, not the machine. Another manufacturer made these unpatented rivets, and sold them to persons who had purchased the machine with that restriction. This manufacturer of rivets was sued for contributory infringement in assisting the owner of the machines to violate the restrictions imposed upon the machines. The suit was sustained, and an injunction granted.

We refer to this principle of patent law and these decisions in support of the proposition that if a patented



article is sold without restriction the widest latitude as to use is given to its purchaser. The greater the power given by law to the patentee to restrict the use by contract, the greater must be the latitude of use implied where no contract is exacted.

As stated before, the blanks used by the defendants are licensed under patents 341,214 and 341,288. The former contains claim 13 for "a tablet or body for recording sound vibrations," and the latter contains claim 4, "a tubular self-sustaining tablet for recording sound or sonorous vibrations." These blanks, therefore, were sold to the defendant for the purpose of having recorded upon them sounds or sonorous vibrations.

The complainant now seeks to prevent these blanks from being put to the very use for which they were purchased. It seeks to receive its royalty for its patented article, and then to prevent the purchaser from putting the article to the very use for which its patent says it was intended. The complainant tries to read into those two claims a limitation that the sounds or sonorous vibrations should be recorded on the tablets only by the machine covered by other claims of the patents. In other words, a patentee sells an article expressly for a certain purpose, and the purchaser applies it to that purpose by means of an unpatented mechanism, and the patentee claims that using the patented article for the purpose for which he sold it is an infringement of other claims in the same patent, and asks this court to prevent the purchaser from getting the intended benefit from the article he has purchased.

If the complainant or his licensee wishes to impress any such restrictions on the use of the patented article, it



would be a simple matter to sell the blank with a restriction that it was to be used only in connection with the machine described in the patent. Under the cases we have quoted such a restriction would be operative and enforceable, and a notice stamped on the blanks that they were licensed to be used only on the complainant's machines would have given the complainant the protection it asks for. But these blanks were sold without restriction, and the purchaser is entitled to the widest latitude in their use.

This point was first presented at the hearing of the motion for a preliminary injunction in the case against U. S. Phonograph Company in the New Jersey Circuit. That case is in all respects similar to this one, and is now pending. Immediately after that point was raised, the complainant adopted the course of putting on the packages in which it ships blank tablets a printed notice that the tablets cannot be used for duplication. This simple precaution accomplishes everything that the most expensive litigation can procure. Now let the complainant require its general licensee, the National Phonograph Company, to sell the blank tablets made by it with the same restrictions, and all duplication will stop; excepting, of course, cases like the present one, where a personal license to duplicate has been given by the complainant. The suggestion in the complainant's brief that a decision of Judge Grosscup in this circuit has disposed of the question of the effect of the purchase of blank tablets from the complainant or its licensee, has been disposed of in a former portion of this brief.

RECAPITULATION.—In addition to our defense of license which Judge Kohlsaat's opinion sustains in an unanswerable manner, we present these points with the hope



that the court may pass upon them and so put an end to the litigation, without further expense to the defendant. The points are four:

a. This court will not grant a preliminary injunction unless the question at issue has been decided favorably to the defendant on final hearing in a *bona fide* contested case, and that decision is approved by this court on its merits.

b. No decision has ever been made in a *bona fide* contested case on the propositions here in question.

c. The complainant's patent in suit, 341,214, does not cover the defendant's alleged infringing device.

d. The unrestricted sale of blank tablets by the complainant's licensee carries with it the right to record on the tablets sounds and sonorous vibrations in any manner not an infringement of the patent in suit.

The letters patent in suit are for several distinct subjects-matter, as will be seen by reference to the claims of the patent. And while the appellant has obtained some decisions (against people little able to fight), in which some portions of the patent were sustained as valid, it has had only one case in which the validity of its claims upon the sound record—which is the thing here in controversy—was involved. This is the case against the Edison Company. And in this case the appellant settled the matter out of court by giving to the Edison concern a free license. See affidavit of Howard W. Hayes, Rec., 111-124.

The suggestion in appellant's brief that the defendants herein and especially Mr. Douglass, because the latter is claiming a license under the patent sued on, cannot be heard to deny the validity of this patent, is of course un-



sound with respect to all of the defendants except Douglass, and unsound as to him also, because the appellant is denying the existence of this license and Mr. Douglass expects to deny the validity of the patent. Counsel can take either horn of the dilemma he pleases. But Mr. Douglass, who is sued here as an infringer, is, in any event, at liberty to set up both his license and the invalidity of the patent, there being nothing inconsistent in the two defenses.

*National Mfg. Co. v. Meyers*, 7 Fed. R., 355.

### VIII.

#### IN CONCLUSION.

Wherefore we have to urge that the appeal seeking a preliminary injunction shall be dismissed for want of equity. Because:

*First*—The making of duplicate sound records upon blank tablets purchased of the appellant and its licensee, and selling the same to be used in machines also purchased of appellant and its licensee, is not an invasion of the appellant's monopoly, as it does not increase the number of sound records, beyond the number which the sale of such blanks implies conclusively was intended. And this presumption or implied license is greatly strengthened by the statement to Mr. Douglass of the authorized licensee who sold him the blanks, that he might use them to make duplicate sound records upon.

*Second*—Mr. Douglass is licensed by the American Graphophone Company, the appellant, without restriction, and has been for years, to make duplicate sound



records without regard to whether the blank tablets are purchased of appellant and its licensees or not.

*Third*—No reason is shown in any event why the extraordinary relief of a preliminary injunction should be granted.

Very respectfully submitted.

JOHN W. MUNDAY,  
HOWARD W. HAYES,  
*Of Counsel.*



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IN THE  
UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, A. D. 1899.

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No. 618.

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AMERICAN GRAPHOPHONE CO.,

*Appellant,*

*vs.*

TALKING MACHINE CO. ET AL.,

*Appellees.*

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BRIEF IN REPLY FOR APPELLANT.

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PHILIP MAURO,  
C. CLARENCE POOLE,  
TAYLOR E. BROWN,

OF COUNSEL FOR APPELLANT.

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EDWARD M. HOLLOWAY.



IN THE  
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<i>Appellant,</i>	
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<i>Appellees.</i>	

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BRIEF IN REPLY FOR APPELLANT.

In the following pages we will comment upon certain passages of the brief for appellees, and will discuss, briefly, the seven points upon which the argument of counsel is based:

On page 2, we read:

"The complainant sells a machine called a phonograph, or graphophone, which uses these tablets. The tablets are made of proper size and shape to fit this machine, and when placed in the machine the whole apparatus becomes a *complete talking-machine*."

This is an accurate statement of the selling transactions of appellant and its agents. The "complete talking-machine" consists of the graphophone, and the blank tablet, which is sold *to be used therewith*. This fact in itself is sufficient to dispose of the contention that complainant, in selling blanks, sells therewith a license to manufacture *duplicate sound-records*.



On page 6, it is questioned whether the so-called "metallic soap" blank, now generally used, is within the scope of those claims of complainant's patent, which are limited to a "wax or wax-like material;" and defendants' counsel say: "This, however, has never been decided by the court in a controverted case, that we can find."

In the Leeds case (87 Fed., 874), Judge SHIPMAN expressly ruled on this point. Syllabus 4 reads:

"The so-called 'metallic soap record' for graphophones \* \* \* is within the claims of the patent describing a sound-record, formed of a waxy or amorphous or slightly cohesive substance," etc.

In this case Judge Shipman reviewed the entire art, upon a record of about 800 pages, presented, on behalf of the defendants, by counsel of the highest ability, and contrasting the invention with the prior abortive and unfruitful efforts of Edison and others to record and reproduce sounds, the learned judge said:

"Bell and Tainter made an *actual living invention*, which the public are able to use, and a court is not called upon to struggle to decipher an anticipation in the unfinished work and the surmises of earlier students of the same subject."

On page 11, counsel say:

"In July, 1892, pending the existing agreement with appellant, Mr. Douglass was licensed *by appellant* to manufacture duplicate sound-records upon certain terms and conditions."

Douglass' statement regarding this July, 1892; agreement is quoted, and it will be observed that counsel never quote the documents themselves, but always what Douglass says about them. The attempt at this point is to show that Douglass had a license to manufacture duplicate records from July 31, 1892, to January 3, 1895, the latter being the date of the alleged "existing agreement."



But this July, 1892, agreement is in evidence ( p. 130, Ex. C), and it clearly appears therefrom that appellant was not a party to it. It is an agreement by Douglass to purchase \$50 worth of original records per month from the *Columbia Phonograph Co.*, and it refers to a license granted by *E. D. Easton* to the *Chicago Central Phonograph Co.*, under the *Douglass patent*, No. 475,490.

The court will have to exercise great caution in reading the brief and affidavits of defendants, to avoid being misled, for "appellant" is repeatedly referred to as a party in transactions with which it had absolutely nothing to do.

On the same page (11), the brief says:

"Under this arrangement Mr. Douglass continued to operate until January, 1895, when a *modification was made*, which is stated by Mr. Douglass, as follows" (quoting Douglass' version of the 1895 agreement):

Naturally, we would infer from this guarded statement that the 'modification' referred to was one of the agreement between Douglass and the American Graphophone Co., and so it would appear from Douglass' ambiguous references throughout the quoted statement to 'Easton and his companies.'

We have already shown *in extenso* that this is a modification of the prior agreement between *Easton* and *Douglass*, and states in express terms that it is not intended to modify or affect *any* agreement between Douglass and the complainant.

On pages 13 and 14 reference is made to allegations by Douglass and Dickinson to the effect that in April, 1897, Mr. Easton "admitted and acknowledged that Leon F. Douglass had a license from the American Graphophone Company to make and sell duplicate sound-records."



Easton's letters to Douglass *in that very month* (April, 1897), stating that he "never had a license" under the graphophone patents, show the impossibility of any such "admission" having been made. If the license were a *fact*, it would be susceptible of proof without alleging pretended recollections of oral admissions.

On page 15 statements of Douglass are quoted in alleged proof of the assertion that his manufacture has been open and notorious. Defendants have had ample opportunity to contradict the affidavits proving that, when Douglass *resumed duplicating*, in the latter part of 1898, he did so with the most elaborate precautions against discovery. Not a word of contradiction is uttered in the mass of words that defendant has put into this record. But Douglass, in his shifty and disingenuous way, says that "since my license" (*i. e.*, since 1895), Easton and others had direct knowledge of his duplicating. So they had, and *put a stop to it in 1897*. The attempt here is to lead the court into the error of supposing that Easton knew of the duplicating operations complained of in this suit. This attempt is repeated at several points, particularly on page 54, complainant's knowledge of Douglass' duplicating in 1897, when he practiced no concealment, being referred to as if it were knowledge of the covert operations of 1899.



## APPELLEE'S POINTS.

## I.

It is contended that the open, unrestricted sale of blank tablets conveys an implied license to the purchaser to manufacture duplicate sound records.

In the argument of this proposition we find nothing more than an assertion that the unrestricted sale of blanks *does* create the license alleged, and in order to meet this proposition we have not to refute any argument, but simply to exhibit the accepted doctrine of implied license and to note its limitations.

Under the claims of the patent here sued on the engraved sound-record of commerce is complainant's exclusive property during the lifetime of the patent. Any sound-record, not made and sold by complainant or its licensees, is *prima facie* an infringement of these claims. But the complainant sells, and any one desiring it may purchase, what defendant's counsel (on page 2) aptly terms "a complete talking-machine, *i. e.*, a graphophone and a blank tablet. Here we see a clear application of the doctrine of implied license. The person who, *by means of this complete talking-machine*, produces a sound-record, is licensed by implication to make and use that sound-record, for the reason that it is the product of instrumentalities purchased from complainant.

On the other hand, the duplicate sound-records *lack that essential thing which creates the implication of a license in respect of original records*, for they are *not and cannot be* the product of instrumentalities purchased from complainant.



Defendant Douglass himself has said (page 76) :

"No *duplicate* records could have been made by the use of a graphophone, phonograph, or like machines furnished by the American Graphophone Company, or other authorized concerns, for the reason that all such machines are designed and adapted for making original sound-records *only*, and the making of duplicate records by the use of such machines is *impossible without such changes therein or addition thereto as would make practically new and different machines.*"

We do not wonder that nowhere in appellee's brief is found a statement of the doctrine of implied license, and an attempt to fit that doctrine to the facts of this case.

The doctrine is clearly stated by the Supreme Court in *Adams v. Burke* (17 Wall., 453), as follows:

"We have repeatedly held that where a person had purchased a patented machine of the patentee or his assignee, this purchase carried with it the right to the use of *that machine* so long as it is capable of use.

\* \* \* The true ground on which these decisions rest is, that the sale by a person who has the full right to make, sell, and use such machine, carries with it the right to the use of *that machine* to the full extent to which it can be used in point of time."

It is clear that the doctrine of implied license fits the machines (and even the product of machines) sold by complainant; and it is equally clear that it cannot by any construction be made to fit sound-records that are neither purchased from complainant, nor made by machines purchased from them.

It is conceded by counsel for appellees that complainant could, by a simple notice to that effect, restrict the use of the blanks so as to make the manufacture of duplicate sound-records unlawful. On page 26 we read:

"It is perfectly easy to put a stop to this practice,



either by refusing to sell the blanks any longer to Mr. Douglass, or by *placing such restrictions upon the sale as would prevent him from the intermediate act complained of.*"

Complainant does not wish to restrict the use of a blank as part of a "complete talking machine," and the confusion in the mind of counsel consists in confounding the *use of a blank* with the *manufacture of a patented sound-record by unlicensed instrumentalities*, which is a very different thing; but what we here wish to emphasize is the conceded right of complainant, by a simple notice, to prohibit the employment of blanks in manufacturing duplicate sound-records. Inasmuch as the remedy here sought is simply an injunction, it is conceded that complainant has only to give notice of the prohibition and the court will enforce it.

Now the record shows that *this notice and prohibition have been given to Douglass directly and repeatedly*. Beginning with January, 1897, he was notified and commanded to desist from making duplicates, and after some resistance, he did so. He then entered complainant's employ, and not only knew that complainant published widely its prohibition against duplicating, and prosecuted all who did not respect the notice, but he actually participated in suppressing this unlawful business in several suits in his district, where injunctions were issued and are now in force. In his first affidavit in the Boswell case he refers to the making of duplicates as an "illegitimate business." He shows in those affidavits the wide publicity given by complainant to its prohibition, and his own *special knowledge of it*. Therefore, at least in the case of Douglass and his associates, complainant has done all that appellees' counsel say is necessary to entitle them to an injunction, so far as any inferred or implied license bars the way.



Furthermore, on page 79 of their brief, counsel have brought to the notice of the court the fact (which does not appear in the record) that complainant has, in addition to its other notices to dealers and the public, adopted the course of putting on packages in which blanks were shipped a *printed notice that the tablets cannot be used for duplication*. We quote:

"This point (implied license) was first presented at the hearing of the motion for preliminary injunction in the case against the U. S. Phonograph Company in the New Jersey Circuit. That case is in all respects similar to this one, and is now pending. *Immediately after that point was raised, the complainant adopted the course of putting on the packages in which it ships blank tablets a printed notice that the tablets cannot be used for duplication. This simple precaution accomplishes everything that the most expensive litigation can procure.*"

The date of the motion referred to was May, 1898 (Hayes' affidavit, p. 116), so that, *during the whole period of infringement here complained of*, complainant has done all that could be required to warn the public against making unlawful use of blank tablets.

## II.

If the doctrine of implied license could possibly have any application to the infringement here complained of, the considerations presented above would dispose of it completely; but the second point (p. 28) recites that the National Phonograph Company, which is licensed to manufacture and sell blank tablets, does not put any restriction on the sale of its blanks, and hence the doctrine of implied license recovers its vigor, at least so far as blanks made



by the National Phonograph Company are concerned. It is even said by Douglass that the National Phonograph Company does not object to such use of its blanks, but that, on the contrary, its manager, Mr. Gilmore, stated that "he and his company had no objection whatever to my using them for making duplicates."

The remedy for this state of things is suggested by appellees' counsel, in these words (p. 79):

"Now let the complainant company require its general licensee, the National Phonograph Company, to sell the blank tablets made by it with the same restrictions [as those admittedly adopted by complainant] *and all duplication will stop.*"

The answer to this contention is that the statement imputed by Douglass to Gilmore, even if true, does not pass any right or title under *complainant's* patents. The right to make duplicate records enjoyed by the National Phonograph Company is "a shop right," and "limited to use at a single shop" (p. 5). That company could not, by a formal act, much less by an apochryphal remark imputed to one of its employes, grant any license or right whatever under complainant's patents; *and what it cannot do directly it cannot do by implication.*



## III.

The third point is the alleged actual license to Douglass, which we need not further discuss; but under this head counsel take issue with our proposition of law touching the burden of proof on a plea of license set up in opposition to a motion for preliminary injunction. They cite Walker on Patents, § 682, who, in turn, cites *Beane v. Orr* (2 B. & A., 176), to support the proposition that "where the affidavits leave the existence of a valid license in doubt, a preliminary injunction will be refused."

It is true that the carelessly drawn syllabus of the case asserts this unsound proposition; but the case itself does not support it. On the contrary, the reasoning supports our contention. It appears from the decision that the execution and existence of the license were *fully proved and admitted*, and, moreover, that the patentee had accepted the licensee's note in full payment of royalties to *the end of the life of the patent*. Shortly thereafter defendant became a bankrupt, and the *plaintiff* thereupon claimed that there was an "*oral bargain*," to the effect that the terms of the license were only suspended for four months, and that *if the note were not paid* the right of revocation revived. The existence of the license was not in doubt at all, but was conceded. Plaintiff thereupon assumed to prove an "*oral bargain*," and consequently the burden of proof shifted to him.

Our proposition of law, therefore, is renewed with greater confidence after perusing the decision of Judge LOWELL.



On page 35, counsel say :

"The consideration for the license to Douglass granted January, 1895, *by appellant*, is the waiver by Douglass of this 2-cent royalty on each duplicate record, *to the appellant*, and Mr. Easton's other company."

Apart from the misleading reference to appellant as Mr. Easton's company—a not commendable device resorted to by appellees' counsel throughout the brief and affidavits—we again call attention to the fact that the alleged waiver "to appellant" never occurred, and the document in question (the agreement of January 3, 1895), conclusively proves this.

Counsel do not quote the instrument itself to support their assertion, but say, "The following is *Mr. Douglass' account* of the license arrangement." Mr. Douglass' account is always, and for obvious reasons, preferred to the documents themselves. Our original brief (pp. 16-29) deals comprehensively with the question of pretended license.

#### IV.

It is contended that there is not sufficient showing of injury to complainant to justify an injunction. We are fully aware that, in cases where the validity of a patent is in doubt, and where there have been no sustaining adjudications, questions of relative injury are weighed by the court. But in this case the simple question is whether or not Douglass is appropriating complainant's property. If so, the question whether or to what extent the later is injured thereby is one that calls for no discussion. It, however, abundantly appears that the manufacture of duplicate records is valuable. Douglass prefers waiving ac-



crued royalties of half a million dollars to relinquishing his pretended right to that manufacture.

## V.

The other defendants are business associates of Douglass, participating in the use and sale of the infringing articles, and are properly joined as co-defendants.

## VI.

Under this heading, and elsewhere throughout the brief, studious effort is made to divert attention from the issues of fact and law presented, by endeavoring to excite sympathy for Douglass and prejudice against the appellant.

The specifications of the charges against appellant are that it has filed bills of complaint in this court, charging Douglass with the infringement of three patents owned by it. Appellant has thereby submitted its cause to the judgment of this court, believing that justice will be done between the parties. Unless it be a reprehensible and odious thing for a person or corporation to appear as a suitor in this court, the feigned indignation of counsel will not excite the court to sympathy with Douglass or prejudice against complainant.

The most grievous outrage laid at the door of complainant is the charge that Douglass invented a machine known as the Graphophone Grand; that "Easton procured a *tool* of his, named Macdonald, to file in the Patent Office an application for patent for this invention;" that Easton then endeavored to learn the date of Douglass' alleged in-



vention, and that complainant finally committed the atrocious act of filing a bill of complaint against Douglass demanding specific performance of his contract to assign all his inventions, made during his term of service, to complainant.

We do not see how the court is to investigate this charge, and we think it will be suspected that counsel for appellees have an unavowed but easily divined motive for desiring to create a digression from the merits of this case. If the matter is pertinent it will do no harm to state a few *facts*.

Long after Mr. Thomas H. Macdonald, who is one of the foremost inventors in this art, had invented the Graphophone Grand; long after it had been exhibited to learned societies, had excited the wonder and admiration of men of science, and of Mr. Douglass, and had been sold extensively upon the market, Douglass' claim to be the inventor appeared in a Chicago newspaper. He was at that time *employed by complainant to experiment and invent*, and receiving \$5,000 a year and his expenses, under contract to communicate and assign all his inventions to complainant.

Naturally, complainant inquired of its employe, Douglass, concerning this surprising claim. It was his clear duty to communicate the facts to them; but instead of doing so he filed an application for his own benefit, and the question of priority between him and Mr. Macdonald (described in the inimitable and elegant style which characterizes the brief for appellees as a "tool of said Easton"), is pending in the Patent Office.

Sympathy for Douglass would be sadly misplaced. He has fared exceedingly well at the hands of complainant.



His first transaction with it resulted in the acquisition by him of \$1,000 worth of machinery, for which it received in return absolutely nothing. His last transaction gave him a princely salary, on the promise that he would make and assign to it useful inventions. He may have made inventions, and he certainly drew the salary with punctuality, but as to assigning any patent or application, complainant has yet to hear of it.

## VII.

Under this heading counsel states the rule on an application for a preliminary injunction in this circuit to be as follows:

"This court must not only require that the complainant show adjudications on final hearing establishing the validity of the patent and construing the claims to cover alleged infringing devices, *but it also must be satisfied of the correctness of those adjudications.*"

We have not been able to find this rule in, or to deduce it from, any decisions of this court. We are well aware that this court does not hold itself bound to follow the judgment of another court, where its own judgment upon the same proposition of law or fact does not concur therewith; and if evidence were presented here tending to show that plaintiff's patent is invalid, doubtless the court would consider such evidence, even though it had been passed upon in other circuits. But in the absence of any attack on the patent, or any reason to doubt its validity, we do not think this court will take it for granted that the previous adjudications on these points were erroneous, or require complainant to produce proof of their correctness.



We are quite certain that no such misapprehension as exhibited under this heading of the argument for appellees could be fairly justified by anything in the decisions of this court cited and quoted from on pages 60 and 61.

Beginning on page 68 is an argument which certainly has the charm of novelty, whatever else it may lack. This argument, concisely stated, is that claim 7, which is for a sound-record (a product or article of manufacture) terminates in the words "substantially as described;" that the "unquestioned effect" of these words is "to limit the claim to the *mechanism* described in the specifications;" that defendants' sound-records are not made by mechanism such as described in the patent, and therefore are not infringements. Counsel quotes from a decision stating that certain exceedingly narrow claims for *mechanism* substantially as described, are limited to "*mechanism* substantially as described," and argues, ergo a claim for a "*product* substantially as described," is limited to a *mechanism* for making that product, and does not cover *identically the same product* (which is a stronger expression than "*substantially*" the same product), if made by a different mechanism.

We did not expect to be called upon to argue that a claim for a product covers *that product*, however made, and we cannot suppose that the court will desire us to argue it. It is as well settled as anything can be.

*Goodyear v. Ry. Co.*, 2 Wall., Jr., 356, Grier, J.

*Merrill v. Yeomans*, 1 B. & A., 47.

*Cochrane v. Badische*, 111 U. S., 293-310.

*Merrill v. Yeomans*, 97 U. S., 568.



In the latter decision the Supreme Court say :

"If appellant's patent were for a new oil, defendants may be liable, for they bought and sold an oil almost, if not quite identical. If only for a new process, then defendants have not infringed, because they did not use that process."

"If the *article* was the discovery which he sought the exclusive right to make, use and sell, he was entitled to that monopoly, *however produced*."

The elaborate introduction to this concluding argument of the brief for appellees indicates that counsel regard it as important to produce some *new* point which has not been advanced in previous litigation and disposed of. They challenge us to produce a case on this patent in which the argument that a claim for a product is limited to the means or method described for its production was ever raised. We take the greatest satisfaction in saying that the present case is the first, under this patent or any other, in which we have heard that argument advanced.

In the brief for appellees reference is made to certain alleged circulars and to patents and other matters which are not before the court, and which, for that reason, we have not discussed.

Respectfully submitted.

PHILIP MAURO,  
C. CLARENCE POOLE,  
TAYLOR E. BROWN,  
*Of Counsel for Appellant.*

CHICAGO, Oct. 7, 1899.



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IN THE  
UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

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No. 618.

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AMERICAN GRAPHOPHONE CO.,

*Appellant,*

*vs.*

TALKING MACHINE CO. ET AL.,

*Appellees.*

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SUPPLEMENTAL BRIEF FOR APPELLEES.

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HOWARD W. HAYES,  
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AMERICAN GRAPHOPHONE CO., <i>Appellant,</i>	} No. 618.
<i>vs.</i>	
TALKING MACHINE CO. ET AL., <i>Appellees.</i>	

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SUPPLEMENTAL BRIEF FOR APPELLEES.

STATEMENT OF CASE.

Leon F. Douglass, who is the real defendant in this case, bases his chief defense to the suit on three propositions.

*One.*—That he has a license from the complainant to do the thing which is claimed to be an infringement of the complainant's patent.

*Two.*—That the claims of the patent in suit do not cover the "duplicate" record made and sold by Mr. Douglass.

*Three.*—That the unrestricted sale of blanks by the complainant licensed Mr. Douglass and every other purchaser to cut records upon them in any way that does not infringe the other claims of the patent in suit.



## I.

This license to Douglass is found on page 131 of the record. It licenses him "to use the process covered by the pending application." This "pending application" is one for a patent for a duplicating machine, and the process described in the application is the one used by Mr. Douglass. This application is set out at length in the record, and it is admitted that the machine used by the defendant is identical with the one described in the application. The only question that arises is as to whether this license was or was not granted by the complainant. It is signed by Mr. Easton, who was at that time the Vice President and general manager of the complainant. We claim that Mr. Easton in executing that license, did so for the Graphophone Company. The complainants claim that it was a personal license given by Mr. Easton. It was demonstrated at the hearing, from the papers themselves, that this license was the act of the corporation, and not the personal act of Mr. Easton; but for the convenience of the court we will repeat, in outline, that demonstration. This license of January 3, 1895, refers to the contract of March 16, 1892, and must be construed in relation to that contract. At the hearing the counsel for the complainant admitted that if the contract of March 16, 1892, was the contract of the corporation, and not the personal contract of Mr. Easton, then this license of January 3, 1895, must be the license of the corporation and not a personal license from Mr. Easton.

An examination of the contract entered into in March, 1892, interpreted in the light of admitted facts, shows conclusively that either Mr. Easton was using Mr. Doug-



lass as a tool, by which to defraud the corporation, of which he was a director, or else that those contracts were the contracts of the corporation. The admitted facts are that Mr. Douglass invented a process for copying sound-records. That process consisted in two parallel shafts revolving synchronously, upon one of which was placed the record to be copied, and upon the other a blank tablet. Against the record to be copied was placed a reproducing style; against the blank tablet was placed a cutting style. These two styles were connected and the shafts revolved. By that means the irregularity in the surface of the record moved the reproducing point, and that same movement was communicated to the cutting point, and a copy of the original record was made on the blank tablet. This is the ordinary operation of the well known copying lathe. This process had two manifestations. In one of these the connection between the following style and the cutting style was an enclosed column of air; in the other it was a rigid bar.

Mr. Easton, in March, 1892, was the director of agencies of the American Graphophone Company, and also a director of that company, and evidently from the information furnished by the record was one of the chief moving spirits of that corporation. At his request Mr. Douglass came to Washington, and on March 12 had an interview with the directors of the American Graphophone Company, and showed them the duplicates made by his process. They were pleased with it. (Rec., p. 82.) This was on a Saturday. On the following Monday Mr. Douglass made his first agreement with Mr. Easton. That agreement, in effect, provides that Mr. Douglass should sell to Mr. Easton his duplicating process in consideration of five machines, valued at \$500, and a royalty of two



cents on each duplicate. It further provides that Mr. Douglass should execute such further agreements as might be necessary to give Mr. Easton a COMPLETE MONOPOLY of the Douglass process. Three days afterwards, on the seventeenth, Mr. Easton gets Mr. Douglass to sign two new agreements. One purporting to be with him personally, and the other purporting to be with the American Graphophone Company. This latter agreement was signed by the president of the company as well as by Mr. Easton.

Adopting for the time the theory of the complainant's counsel, that this agreement signed by Mr. Easton was a personal contract with him, the following state of facts appears: These two agreements, dated on different days, were both signed on the 17th, but Mr. Easton's agreement appears to be the earlier on account of the fictitious date. This "personal" agreement, on March 16th, is similar to that of March 14th, except that the provision that Mr. Easton is to give Mr. Douglass \$500 worth of machines is omitted. It contains, however, an agreement that Mr. Douglass shall give Mr. Easton a COMPLETE MONOPOLY of his process. The agreement with the corporation provides that the corporation shall give to Mr. Douglass the five graphophones originally contracted for by Easton, but omitted in the later contract, and also five additional machines, the whole valued at \$1,000, in consideration of Mr. Douglass licensing the corporation under his process. In addition to that, the corporation had to pay Mr. Douglass the two cents royalty agreed by the earlier agreement to be paid by Mr. Easton. In other words, if Mr. Easton was acting on his own behalf in these agreements, he secured for himself the ownership of the invention, and induced his corporation to pay Mr.



Douglass \$1,000 in machines for a license under a process which Mr. Douglass did not then own, having already parted with it to Mr. Easton—an evident and gross fraud upon the corporation on the part of one of its directors.

If, on the other hand, we consider that Mr. Easton was acting honestly (which we claim to be the case), and in his negotiations with Mr. Douglass was acting on behalf of the corporation, a very different state of affairs develops. It is, however, quite usual for a corporation, when it wishes to acquire rights of any kind, to have an officer or agent of the corporation acquire the rights personally, and then transfer them to the corporation. It is generally easier in that way to get property on fair terms than if the negotiation is professedly in behalf of the corporation itself. Under this latter construction these contracts seem to be perfectly fair and intelligent agreements between Mr. Douglass and the corporation.

Another point suggests itself; a personal ownership of the Douglass process would have been of no benefit whatever to Mr. Easton. The Douglass duplicating method is expressly covered by the claim of one of the patents of the American Graphophone Company, No. 341,287. Claim one of that patent is as follows:

"4. The method of copying sound-records by causing the record which is to be copied to impress movements corresponding to the recorded sound waves upon the cutting tool and thereby engraving or cutting out a similar record in the surface of a suitable duplicate, substantially as described."

Mr. Easton, therefore, could not personally have made any use of this process; but on the other hand the process would be a valuable one to the complainant, because it



could lawfully use it. These facts were in the mind of Mr. Douglass and Mr. Easton at the time the contract was made. Mr. Douglass in his affidavit says that Mr. Easton, just prior to the making of these agreements, explained to him that the patents of the Graphophone Company covered duplicating. In regard to that Mr. Douglass says on page 82 of the record. "Mr. Easton then said that these patents covered broadly everything in the duplicating art and that his company owned it. I told him that it looked to me as though that was so, that it owned the patents, but that the machine of the Tainter patent, 341,287, could not do the work and was utterly impracticable (which is now the well known fact). Moreover, that he did not know how to do the work, and nobody else knew how, except me; that if he had the patents I had the practical process and machinery, and nobody else knew the secret of it."

If, then, we assume that the contracts of March, 1892, were with the corporation, and not with Mr. Easton personally, then it follows as a matter of course that the license of January 3, 1895, was a license from the corporation, and not from Mr. Easton. For if the license of January 3, 1895, was a personal contract with Mr. Easton, then the agreements of March 14th and March 16th, 1892, were personal contracts with Mr. Easton, and he was engaged in a scheme to defraud his corporation.

In addition to that, a construction that turns the license of January 3, 1895, into a personal license from Easton, not only makes out Mr. Easton a knave, but also makes out Mr. Douglass a fool. While there is no law against one man being a knave and another being a fool, still if a contract is capable of two interpretations, one of which would make a man like Mr. Easton, whom the complain-



ant's counsel admits is a man of the highest and purest character, a knave; and a successful business man like Mr. Douglass, a fool; while the other interpretation would relieve both of these gentlemen from these imputations, the latter construction certainly is to be preferred. If the license of January 3, 1895, was personally from Mr. Easton, Mr. Douglass gave up everything and got nothing. He executed an application for a patent for Mr. Easton's benefit, and released to Mr. Easton the royalty contract, and in exchange got from Mr. Easton a license which both parties knew was worthless, for both parties dealt with each other upon the understanding that the Graphophone Company's earlier patents covered the duplicating art, and that Douglass' process could not be used except with the permission of the American Graphophone Company.

In considering this contract,—this license of January 3, 1895, we should also consider the circumstances under which it was given. Mr. Douglass went to Washington at Mr. Easton's request, and signed an application for a patent on the mechanical manifestation of his duplicating process, and released his right to the royalty under it, and in return was promised by Mr. Easton, a license to use that process. He left Washington for Chicago with that promise, and this license in question was sent to him by Mr. Easton, by mail. He expected to get a valid and effective license to use this process, and this is what he got. He acted under this license and supposed it to be valid and effective until this suit was brought. For four years he had acted under it, believing it to be valid.

Complainants's counsel has suggested that the agreement of March, 1892, referred only to the air method of duplicating. That is disproved by the agreement of July



31, 1892. (Rec., 130.) In that agreement Mr. Douglass releases his royalty for the process described in the patent No. 475,490, which is the air method; and in the contract of January 3, 1895, he releases his right to royalty under the mechanical method. If only one method was presented by him in March, 1892, certainly these two separate releases of royalty would not have been required. It might be suggested, however, that when the agreement of January 3, 1895, was signed, Mr. Easton had forgotten the release of July 31, 1892, and so took another release. This hypothesis is, however, disproved by the endorsement which appears at the foot of the agreement of July 31, 1892. That endorsement was made by Mr. Easton on January 2, 1895, which proves that the day before he signed the agreement of January 3, 1895, he had in his hands the release of July 31, 1892. This endorsement in the release of July 31, 1892, is instructive in that it shows that Mr. Easton was in the habit of signing personally contracts for the corporations in which he was an officer. In this case he evidently was acting for the Columbia Phonograph Company, and yet signed the waiver personally.

The only other suggestion made by the complainant in regard to this license of January 3, 1895, is in regard to the clause which says that the license is not intended to modify any agreement which Mr. Douglass *may* have with the American Graphophone Company. The complainant's counsel say that this is an allusion to the contract of March 17, 1892. On our part, we claim that the agreement with the American Graphophone Company referred to, is the agreement, in virtue of which, Douglass was then acting as the sales agent of the American Graphophone Company, in Chicago; and that Mr. Easton took the precaution to put in this clause, so that the then ex-



isting business arrangement, between Mr. Douglass and the American Graphophone Company, should not in any way be disturbed by this license of Mr. Douglass' duplicating process. It appears in Mr. Douglass' affidavit at the bottom of page 71, that the Chicago Talking Machine Company, of which he was the manager, was such sales agent of the American Graphophone Company. Mr. Easton in his affidavit has explained this clause in another way, saying that it refers to an agreement for the employment of Mr. Douglass by the American Graphophone Company for a certain time. (Rec., 126.) Mr. Easton's explanation is rendered plausible by a letter dated July 15, 1892 (Rec., 96), in which it appears that Mr. Douglass was in the employ of the American Graphophone Company. Whichever one of these two explanations of that clause is accepted by the court, it is evident that the clause has no relation to the contract of March 17, 1892, as claimed by complainants' counsel.

At the hearing it was suggested that if the case was merely one of the construction of a contract, the court could pass upon it as well on a motion for preliminary injunction as on final hearing. That, of course, would be true if there were any question in issue as to the construction of the contract, but in that particular the parties are not at variance; both agree that the license of January 3, 1895, covers the use of the duplicating machines by the defendant. The real question in issue is as to whether that agreement was made by Mr. Easton personally or on behalf of his company. The defendants, therefore, are entitled to show (if there is any doubt as to the fact) that Mr. Easton was not acting for himself, but on behalf of the company. It is like the case of an undisclosed principal, whose existence can always be shown by parol evidence.



In conclusion, we would like to call the attention of the court to the peculiar form of this license. It is not a license under any specific patent, but it is an agreement on the part of Mr. Easton, on behalf of the American Graphophone Company, that Mr. Douglass may continue to use a duplicating machine of the character described in the application for the patent signed by him.

## II.

THE SOUND-RECORD DESCRIBED IN CLAIM 7 OF COMPLAINANTS' PATENT IS NOT THE SOUND-RECORD MADE BY THE DEFENDANT.

That claim by its terms and by reference to the specifications, is limited to a sound-record, made in the method described in the specifications. This point has been set forth sufficiently fully in the briefs already filed, except that the court's attention was not called to the effect of the other patents taken out at the same time, by Bell and Tainter, upon the construction of the patent in suit.

Bell and Tainter took out three patents on the same date, No. 341,214 (the patent in suit), No. 341,387, No. 341,288. Of these No. 341,214 and No. 341,288 cover the graphophone as a machine, the method of making sound records by vibrating a cutting point by means of the impact of sound waves; and the product of the machine, namely, a sound-record formed by the action of sound waves vibrating a diaphragm to which the cutting style it attached. Patent 341,287 covers the process of making duplicates by copying the original record. Its broad claim, which we have quoted before, is as follows:

"4. The method of copying sound-records by causing



the record which is to be copied to impress the movements corresponding to the recorded sound waves upon a cutting tool, and thereby engraving or cutting out a similar record in the surface of a suitable duplicate substantially as described."

What we claim is, that the sound-record covered, and intended to be covered by claim No. 7, of patent 341,214, is a sound-record made in the manner described in that patent, and not a sound-record made in the manner described in patent 341,287. It is evident that the patentee intended to cover only a sound-record made in the manner described in the specifications of patent 341,214. An examination of that patent will show that it is skillfully drawn and that the patentees are most careful not to limit themselves to the devices specifically described, but extend their invention as broadly as possible. The court will find that they continually make this clear. For instance, at the bottom of the first page, and the top of the second page, of the patent, a combination is described, and they go on to say: "This combination is specially claimed; but it may also be usefully employed in connection with other forms of record." If the patentees had wished to cover a sound-record made in any other way than the method described in the specifications they would have said that it was not their intention to limit the invention to a sound-record made in that way. At the time this patent was taken out they knew of mechanical duplicating methods, as their duplicating patent was taken out at the same time.

The cases cited in the complainant's brief in regard to the product of the patent is not applicable here. What we claim is that the patentees limited their claim to the product of their specific machine, and do not claim a similar article if manufactured in another way. The citations are



of cases where the patentee has discovered a new machine and manufacture and has patented the product; and the alleged infringer manufactures the same product by a new means. In the present case we claim that this patent covers, not the product generally, but the product made by the machine of the patent. A "duplicate" is not a "sound-record". It is not a *record* of sound. *Sound did not make it*. It is merely an irregular surface capable of vibrating a point in contact with it in such a manner that sound will result. It is no more a "sound-record" than the barrel of a music box is. It differs from a music box barrel only in that the latter vibrates a number of styles in the same manner, while the former vibrates a single style in a varying manner. If the defendants' "duplicate" is covered by the claim of the patent, a "record" made with a penknife also would be covered. Yet the complainant's counsel would hardly claim that such a "record" would come within the claim in question.

The "duplicates" made and sold by the defendant are not the *product* described in the complainant's patent. If they were, we might admit that the manufacture and sale of them would constitute an apparent infringement of the patent. That is the doctrine laid down in the Goodyear cases. If claim 7 of the patent in suit were for "a tablet having cut on its irregularities capable of vibrating a reproducing style and thereby producing sounds," we would admit that it covered "duplicates." But the point we make and strenuously urge upon the attention of this court is that the claim in question is intended to cover only *sound-records*, viz: records made by the direct action of sound waves upon a cutting style, as described in the specifications of the patent. In other words, the *article* made and sold by the defendant is not the *article* which the patentees claim the exclusive right to make and sell.

"Product" - the thing produced.  
(Article of manufacture (however produced) is § 1036.



## III.

THE UNRESTRICTED SALE OF BLANK TABLETS LICENSES,  
NOT ONLY MR. DOUGLASS, BUT ALL THE PUBLIC WHO  
BUY THEM, TO PUT SOUND-RECORDS UPON THEM, IN  
ANY WAY THAT IS NOT AN INFRINGEMENT ON OTHER  
CLAIMS OF THE PATENT IN SUIT.

This proposition has been presented fully in the defendant's brief, and it only remains now to comment on the argument by which the complainant tries to escape the force of this point. The complainant's counsel quotes the statement in defendant's brief that the Graphophone Company now pursues the practice of putting notices on the duplicates sold by them, "that they are not licensed to be used for duplication;" and also claims that the personal notice to Mr. Douglass directing him not to duplicate has the same effect as such a notice to purchasers. While neither of these points has any present bearing on this case, we wish to state what the rule of law is.

The question of notice is purely one of contract between the patentee and the purchaser, and the notice is merely a means of calling attention of subsequent purchasers to the original contract. We admit, that if in the original sales of the blank tablets the Graphophone Company required the purchaser to agree not to use them for duplicating, the purchaser could not use them for that purpose; and that any subsequent purchaser who had notice of the original agreement would be bound by it. The notice placed on the blanks when sold may have that effect; but on the other hand a personal notice to Mr. Douglass in regard to what the Graphophone Company might or might not want him to do with the blanks they sold, can have no



possible effect. If the blanks themselves were sold to the original purchaser without restriction, Mr. Douglass or or any other subsequent purchaser would acquire all the rights of the original purchaser regardless of what claim the Graphophone Company might make, or what notice they might give. As a matter of fact, as appears by the record, Mr. Douglass bought all his blank tablets from the National Phonograph Company, the general licensee of the complainant.

The argument of complainants' counsel in regard to the licenses to the National Phonograph Company is disingenuous. The brief quotes from the bill of complainant (*not from depositions*) to prove that the license to the National Phonograph Company is only a "shop right," while Mr. Easton's affidavit on page 125 of the record says that the complainant has never granted a license under the patent in suit to make duplicate sound records, except to the Edison Phonograph Works. The license to the National Phonograph Company is in evidence. The shop-right referred to in the bill of complaint is an entirely different agreement, covering a method of making duplicates described in patent 341,287, and is not in evidence. We make this statement, which of course is not borne out by any testimony, in order that the court may not be deceived by the allegation in the complainants' brief. The license to the National Phonograph Company appears on page 113 of the record. It is a general license to manufacture and sell talking machines and *supplies therefor*, under the patent in suit. It is not limited as to time nor place. If the complainant has granted to the National Phonograph Company a full right to sell blank tablets without restriction, a purchaser from that company, without restriction, acquires as full a right as that company had to



grant. In other words, he takes the tablet absolutely free of the monopoly, and no amount of notice or objection on the part of the American Graphophone Company can in any way affect his right.

The reply brief urges two alleged reasons why Mr. Douglass should have no benefit from this defense. First, it is urged that the doctrine of implied license does not apply to the present case. And, second, if it does apply, that Mr. Douglass should have no benefit from it because he was notified by the appellant not to infringe upon the patent in suit and prohibited from making duplicate sound-records.

We beg to offer a few suggestions in respect to these two propositions.

#### AS TO THE FIRST PROPOSITION.

It is quite true, as suggested, that when appellant sold the blanks expressly fashioned to fit the certain machine sold by it and expressly constructed and designed to be used to cut sound records on, and useful for no other purpose, such sale created an irrevocable license to the purchaser to use the blanks in that machine. Thus far we entirely agree with counsel. The result is that the owners of such machines who may purchase duplicate sound-records made by Douglass on blanks purchased by him of appellant have an undoubted right to use them in the machine to reproduce the sound recorded.

But it does not follow because of this that the purchaser of the blank tablet may not also, if he chooses, employ other means to cut the intended record on the blank. Because the blank is intended by appellants to be made into a sound-record and is concededly sold for that purpose. If



used at all it can only be used to cut by some means a sound-record on it. So it follows that the sale of the blank tablet implies that at least *one* cut sound-record is released from the monopoly covered by claim 7 of the patent in suit. The particular manner in which the record shall be cut, or the means employed to cut it on the blank tablet does not multiply the number of tablets; that remains still the same, one tablet sold one record made, two tablets sold two records made, and so on. It therefore cannot make any difference to the question of a release from the monopoly of claim 7, how or by what means the cutting of the record is done.

At the bottom of page 5, counsel practically admits our contention by suggesting—

*“the duplicate sound-records lack that essential thing which creates the implication of a license in respect of original records, for they are not and cannot be the product of instrumentalities purchased from complainant.”*

But it will be seen that Douglass' duplicate records do *not* lack this “*essential thing*.” On the contrary this “*essential thing*” is precisely what they possess. Every one of them is a product of a blank tablet made and sold by complainant and expressly designed to have a sound record cut upon it.

The quotation in the reply brief from the Supreme Court (Justice Grier), on page 6 (*Adams v. Burke*, 17 Wall., 453), as follows:

*“The true ground on which these decisions rest is, that the sale by a person who has the full right to make, sell and use such machine, carries with it the right to the use of that machine to the full extent to which it can be used in point of time,”*

is extremely unfortunate for appellant, as will be apparent



if we substitute "*blank tablet*" for "*machine*" in the reading, and remember that the "use" of a blank tablet is to have a record cut upon it.

It seems to be conceded even by appellant's counsel that the sale of the blank tablets, which can only be used for making cut sound-records, implies a license to the purchaser to make sound-records on them in *some* manner; the contention being, however, that they are thus licensed to be used only in the *particular* manner where the cutting is done by the impact of sound waves or sonorous vibrations. But we contend that if the unrestricted sale of the blank tablets constitutes a license to use them for the manufacture of cut sound-records in *any* manner, that such license must extend necessarily to *all* manners. And this seems to be the view of Justice Grier, of the Supreme Court, upon a similar question, which arose in *Washing Machine Co. v. Earle*, 3 Wall. Jr., 320; 29 Fed. Cases, 332, No. 17,219. In that case Goodyear licensed exclusively the Washing Machine Company to use his patented India rubber for wringer rolls, and licensed the Boston Belting Company to make of the India rubber "hose, pipe and tube," and "no further." Earle bought rubber pipe of the Boston company, and putting it on an iron spindle made a wringer. Thereupon the Washing Machine Company sued him for infringement, contending that he had no right to divert or change the use for which the pipe was lawfully sold to a different use. And the court will see that is precisely the contention here in the aspect of the case at bar which appellant's counsel especially requests the court to regard as the only aspect properly to be considered. Said Justice GRIER:

"The right of the Boston Belting Company to manufacture pipes or tubes is not disputed. They pay a certain tariff per pound for the right to use the



patented process; the material thus manufactured by them belongs to them, and not to Goodyear. Any covenant between them and him that they will not manufacture certain articles, may be valid as between the parties, but it does not run with the rubber, like a covenant on land. Colley & Co., when they purchased their tubes are absolute owners of them, and may convert them into rolls for wringers to their washing machines, or put them to any other use. They might have bought belting or overshoes, or any other article made by the licensees of Goodyear, and converted the material to any purpose that suited them. I may purchase a tobacco pipe made of this material, but I am not bound to smoke with it, and may convert it into an inkstand. The agreement between the licensees that A shall make all the pipes, and B all the inkstands, gives neither of them a right to the interference of a chancellor to compel me to smoke with my pipe, or to put ink alone in my inkstand. They cannot oblige me to use, in subservience to their arrangements, that which has become my property.

But, say the complainants, although it is true that a "tube" is defined to be a hollow cylinder, yet it is generally used to convey water, and is called a water pipe. In addition, the Boston Belting Co. pay a tariff of but two cents; whereas, the complainant corporation pay three cents, and therefore ought to have a monopoly of making rollers. The perfect answer to this is, that the complainants have no patent or exclusive monopoly of making rollers of vulcanized rubber. Goodyear, by virtue of his patent, might have manufactured it all himself, and sold it for such price as he could get; but his patent gives him no power to control the use which persons who purchase may make of it. Vulcanized rubber may be applied to a thousand purposes, from a tube to a steam engine, but the patent gives no power to the patentee to parcel out his monopoly into a thousand sub-monopolies. He may make any covenant he pleases with his licensees, and by that means may dispose of his special licenses to great profit, but he cannot compel the public to no-

*A. G. Co. has  
exclusive monopoly  
to make both rollers  
& records*



tice or regard such agreements, or the right conferred or reserved by them. If his licensees do not perform their agreements, his remedy is by action against them on his covenants, and not by recourse to a chancellor to restrain third persons who have purchased vulcanized rubber from his licensees from using it, when it is theirs, for any purpose they please."

(*Washing Machine Co. v. Earle*, 29 Fed. Cases, 334.)

And so, too, in this case, if Douglass by the purchase acquired a right to use the blanks for making cut-records, it does not matter how he may choose to cut them, whether by the aid of sound-waves and sonorous vibrations on the one hand, or by the aid of a duplicating machine on the other.

The following extract from an opinion by Judge Wallace, in *Holiday v. Mattheson*, 24 Fed. Rep., 185, contains a clear-cut statement of the law applicable to the case at bar:

"When the owner sells an article without any reservation respecting its use, or the title which is to pass, the purchaser acquires the whole right of the vendor in the thing sold; the right to use it, to repair it, and to sell it to others; and the second purchasers acquire the rights of the seller, and may do with the article whatever the first purchaser could have lawfully done if he had not parted with it. The presumption arising from such a sale is that the vendor intends to part with all his rights in the thing sold, and that the purchaser is to acquire an unqualified property in it; and it would be inconsistent with the presumed understanding of the parties to permit the vendor to retain the power of restricting the purchaser to using the thing bought in a particular way, or in a particular place, for a limited period of time, or from selling his rights to others. It is quite immaterial whether the thing sold is a patented article or not; or whether the vendor is the owner of a patent which gives him a



monopoly of its use and sale. If these circumstances happen to concur the legal effect of the transaction is not changed, unless by the conditions of the bargain the monopoly right is impressed upon the thing purchased; and if the vendor sells without reservation or restriction, he parts with his monopoly so far as it can in any way qualify the rights of the purchaser.

The purchaser does not acquire any right in the monopoly, but he does acquire the right of unrestricted ownership in the article he buys as against the vendor, including, as an inseparable incident, the right to use and enjoy it, and to transfer his title to others. *Bloomer v. McQueen*, 14 How., 549; *Goodyear v. Beverly Rubber Co.*, 1 Cliff., 348; *Washing Machine Co. v. Earle*, 3 Wall., Jr., 320; *Bloomer v. Millinger*, 1 Wall., 340, 351; *Mitchell v. Hawley*, 16 Wall., 544, 548; *Paper Bag Cases*, 105 U. S., 770; *Day v. Union Rubber Co.*, 3 Blatchf., 494; *McKay v. Wooster*, 2 Sawy., 373; *Wilder v. Kent*, 15 Fed. Rep., 217.

The cases like *Hatch v. Adams*, 22 Fed. Rep., 434, and *Societe, etc., v. Tilghman's Pat. Sand Blast Co.*, 25 L. J., Ch. 1, relied on by the complainants, have no application to a case like this. When the owner of a patent sells the patented article under circumstances which imply that the purchaser is not to acquire an unqualified property in the thing purchased, as where a license accompanies the transfer, the purchaser's rights are limited to the extent of the monopoly granted to him. Those cases involved the extent of the monopoly acquired in a patented article under a license or territorial right from the owner of the patent, the article having been originally sold under the license."

(*Holiday and others v. Mattheson and others*, 24 Fed. Rep., 185.)

#### AS TO THE SECOND PROPOSITION.

On page 7 of the reply brief it is asserted that we have "conceded" that appellant has the right by a simple notice to prohibit the employment of blanks in making dupli-



cate sound-records. And this is followed by the assertion that "this notice and prohibition have been given Douglass directly and repeatedly," etc.

Obviously we have made no such concession. What we have said is plain enough—that appellant might have "*placed restrictions upon the SALE*" of the blank tablets, and might have done this by simply printing a label on the thing sold.

The point we make is that appellant and its licensee, the National Phonograph Company, sold Douglass the blank tablets without any restriction on the sale. The sale, in other words, *was absolute and without condition*.

Under such circumstances what difference can it make whether or not outside of the contract of sale of the blank tablets appellant may or may not have prohibited Douglass from making duplicate records, or employing "blanks in manufacturing duplicate sound-records?" Such a prohibition and notice *not to infringe* is conclusively presumed from the very grant of the patent itself containing the claim 7, and is made no stronger by personal notice. When the blank tablets, however, are sold to Mr. Douglass without restriction or condition in the contract of sale such a sale, of course, amounts to a waiver of all rights that are inconsistent with the sale, and of all notices and prohibitions not expressly made in the contract of sale. So proof of a general prohibition, such as suggested, would be of no avail if it existed in the record. And we may add incidentally that in Douglass' case it actually does not exist, notwithstanding the assertions in the reply brief.

If, *at the time of the sale of the blank tablets and as a condition of the sale thereof*, the sellers had insisted that



Douglass should not use the particular blank tablets sold for making *duplicate sound-records*, then Douglass in such a case would take the property subject to whatever rights the seller might have in the future control of its use. But that is not this case. On the contrary, if any such condition had been attached to the sale, possibly Douglass might have declined to purchase, as he had no other use for the blanks than to make duplicate sound-records.

Respectfully submitted.

HOWARD W. HAYES,  
JOHN W. MUNDAY.

CHICAGO, October 13, 1899.



AMERICAN GRAPHOPHONE CO. v. TALKING-MACHINE CO. et al.

(Circuit Court of Appeals, Seventh Circuit, January 2, 1900.)

No. 618.

PATENTS—SUIT FOR INFRINGEMENT—PRELIMINARY INJUNCTION.

A complainant is not entitled to a preliminary injunction against infringement of a patent by defendant where the proofs establish prima facie that defendant is manufacturing the articles claimed to infringe under a license given by a contract made by the president of the complainant corporation, in making which he acted, as was supposed by defendant, and so far as shown by the proofs, in fact on behalf of complainant.

Appeal from the Circuit Court of the United States for the Northern Division of the Northern District of Illinois.

Philip Mauro, for appellant.

Howard W. Hayes and John W. Munday, for appellees.

Before WOODS, Circuit Judge, and BUNN and SEAMAN, District Judges.

SEAMAN, District Judge. This appeal is from an order denying the complainant's motion for a preliminary injunction in a suit for infringement of letters patent No. 341,214, issued May 4, 1886, to Bell and Tainter, now owned by the complainant, for "an improvement in recording and reproducing speech and other sounds," being one form of the instrument known as the "graphophone." The patent specifies 47 claims, which purport to cover both the mechanism for making the "sound record" and its product; and the alleged infringement consists in making duplicates of the product, but by a different means, except that the copy is made on the blank tablets manufactured by the complainant and its licensees for sale, sold in open market, and not covered by the patent in suit. The action is founded on claims 7, 8, 10, 17, and 18, of which claim 7 is the broadest, and reads as follows:

"(7) A sound record, consisting of a tablet or other solid body, having its surface cut or engraved with narrow lines of irregular or varied form, corresponding to sound waves, substantially as described."

The validity of the patent has been sustained on various claims in several adjudications, of which the reported cases are: Graphophone Co. v. Amet (C. C.) 74 Fed. 789; Same v. Walcutt (C. C.) 86 Fed. 468; Same v. Leeds (C. C.) 87 Fed. 873,—and the bill avers that the claims in question were expressly sustained, and like infringement adjudged, in the Walcutt Case on final hearing. On the other hand, the defendants contend that no issue was raised in either of the cases respecting the validity or application of these claims in the patent, that they are not, in terms, applicable to the duplication of sound records by other means not conflicting with that described in the patent, and that such use is expressly covered by a separate patent, No. 241,287, granted to the same patentees, of even date with the patent in suit, and not referred to in the bill. The main contention, however, in the arguments upon this appeal relates to a special defense of license for the alleged infringement,—the ground



on which preliminary injunction appears to have been refused by the district judge; and, if the order is sustainable on that basis, it is unnecessary to consider, before final hearing, the fundamental inquiry as to the scope of these claims.

The affidavits and exhibits in the record show substantially the following facts: The complainant is the owner of several patents relating to graphophones and phonographs, including the patent in suit, and as such was extensively engaged in the manufacture and sale of such instruments in 1892, and before and since that year, with its headquarters at Washington, D. C.; but its devices for making duplicates of sound records were unsuccessful, and the company was seeking other means to that end. The principal defendant, Douglass, prior to 1892, had devised methods and constructed apparatus for the purpose, and was engaged in making duplicate sound records, at Chicago, which were sold to and through the Chicago Central Phonograph Company, a licensee of the complainant, of which Douglass was superintendent; and he also claims to have sold them to the complainant. E. D. Easton was then "director of agencies" and one of the directors of the complainant, and subsequently became its president. On March 3, 1892, Easton called upon Douglass, in Chicago, in reference to the means so devised, which the latter held as a secret, and refused to divulge, and the meeting resulted in the acceptance by Douglass of an invitation to visit Washington for negotiations, where he made samples of his records, which were exhibited to the directors of complainant. On March 14, 1892, an agreement in writing was made between Douglass and Easton, providing for transfer to Easton of the process, in consideration, besides other matters, of certain royalties to be paid to Douglass; and Douglass was to make improvements, aid in procuring patents to be assigned to Easton, and meantime not to communicate the process to others. Provision was also made to execute further agreements to carry out such purposes. Subsequently this agreement was made more specific in a writing between the same parties, bearing date March 16, 1892; and another agreement, with like provisions, which was prepared by Easton, and is stated to have been signed at the same time, although bearing date March 17, 1892, was executed between Douglass and the complainant, whereby the invention of the former and the desire of the company to use his process are recited, and Douglass agrees, for substantially the same considerations named in the Easton contract, to disclose his method to the president and to the directors of agencies, and procure the apparatus therefor at the expense of the complainant. Thereupon Douglass entered the service of the complainant in Washington, and so remained until his return to Chicago, in July, and subsequently there were other contract relations between them from time to time, of which the details do not appear. Application for a patent for the Douglass process was made in accordance with the agreements, and letters patent No. 475,490 were issued to him May 24, 1892, but it is asserted that the process thus described was not successful. Improvements were afterwards made by Douglass, as contemplated by the agreement, were furnished to Easton, and are



alleged to have been employed by the complainant, to have proved successful, and to constitute the devices used in making the alleged infringement. When these improvements were thus turned over, Easton was president and general manager of the complainant, and Douglass claims that it was his understanding that Easton represented the company in all the transactions, and especially on this occasion, and that Easton stated their wish to enter more extensively into the manufacture of duplicates, and suggested an arrangement for the waiver of royalties by Douglass on the granting to him of a permanent license for like manufacture and sale; that this proposal was satisfactory to Douglass, and Easton agreed to send him an agreement to that effect, and sent by mail the following letter as such modification:

"Jan. 3rd, 1895.

"Mr. Leon F. Douglass, No. 98 Madison St., Chicago, Ills.—Dear Sir: Referring to the contract of March 16th, 1892, this is to evidence a modification of said contract as follows: Application is now pending for a patent for an improvement in your process for duplicating, and you have assigned the same to me before issue. You are hereby licensed under the patent already issued, and are authorized to use the process covered by the pending application in such way, personally, as you please, the consideration to me being a waiver of the royalty of two cents per cylinder specified in your contract with me of March 16th, 1892. It is understood that this is a personal license; that it is not assignable, nor salable; but that you may make, for sale, as many phonograph records as you please under this license. The above is not intended to in any way modify or affect any agreement you may have with the American Graphophone Company.

"Yours, truly,

E. D. Easton."

On this final arrangement the defendant Douglass entered into the manufacture of duplicates, the other defendants being employes; and it is manifest that the defense of license is clearly presented, and even established prima facie, if the action and agreement of Easton is attributable to the complainant. The concluding clause in the agreement, that it is not intended to "modify or affect any agreement you may have with the American Graphophone Company," is explained by undisputed testimony as referring to collateral contracts not involved in this controversy, and so conceded by the affidavit of Easton, although counsel for the complainant do not recognize this distinction in their argument. No satisfactory explanation appears for making independent contracts, one with Easton individually and the other with his company, each with like provisions, which necessarily conflict unless treated as identical in purpose; and in the face of the relations existing between Easton and the complainant, and of the evident understanding on the part of Douglass that Easton acted on behalf of his company throughout, it cannot be presumed, from the mere separate form of the contracts, that the transactions were independent and antagonistic. If facts existed and entered into the understanding of the parties on which the agreements may be so construed, they do not appear in this record, and any issue thereupon must be left for determination at final hearing. A fundamental requisite is wanting, therefore, to establish the right to a preliminary injunction, and the motion was properly denied. The order of the circuit court is affirmed, with costs.